Beaufort West
MUNICIPALITY

[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2014

BEAUFORT WEST LOCAL MUNICIPALITY

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BEAUFORT WEST LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

GENERAL INFORMATION

NATURE OF BUSINESS

Beaufort West Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Beaufort West Municipality includes the following areas:

Beaufort West
Nelspoort
Merweville
Murraysburg

MUNICIPAL MANAGER

Mr. J. Booysen

CHIEF FINANCIAL OFFICER

Vacent

REGISTERED OFFICE

112 Donkin Street
BEAUFORT WEST
6970

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

ABSA Bank, Beaufort West

ATTORNEYS

Crawford Attorneys, Beaufort West

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

BEAUFORT WEST LOCAL MUNICIPALITY

MEMBERS OF THE BEAUFORT WEST LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	L Deyse
2	A.M. Slabbert
3	G. de Vos
4	S.M. Motsoane
5	M. Furmen
6	G.P. Adolph
7	J. Bostander
Proportional	P.A. Jacobs
Proportional	G.T. Murray
Proportional	T. Prince
Proportional	R. van der Linde
Proportional	D.E. Welgemoed
Proportional	A.D. Willemse

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2014, which are set out on pages 1 to 120 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr. J. Booysen
Municipal Manager

31 August 2014
Date

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	Notes	2014 R (Actual)	2013 R (Restated)
NET ASSETS AND LIABILITIES			
Net Assets		**348,956,945**	**339,072,493**
Capital Replacement Reserve	2	4,849,606	4,546,564
Housing Development Fund	2	4,198,159	4,170,185
Self Insurance Reserve	2	1,118,685	1,035,337
Accumulated Surplus		338,790,495	329,320,407
Non-Current Liabilities		**46,091,143**	**42,335,458**
Long-term Liabilities	3	14,602,574	14,703,394
Employee benefits	4	25,812,416	22,295,025
Non-Current Provisions	5	5,676,153	5,337,039
Current Liabilities		**44,537,372**	**46,344,105**
Consumer Deposits	6	1,138,815	1,159,826
Current Employee benefits	7	7,731,480	7,156,341
Payables From Exchange Transactions	8	21,148,780	27,445,114
Unspent Conditional Government Grants and Receipts	9	7,148,474	7,774,144
Unspent Public Contributions	10	139,052	-
Cash and Cash Equivalents	22	3,754,500	-
Current Portion of Long-term Liabilities	3	3,476,271	2,808,681
Total Net Assets and Liabilities		**439,585,461**	**427,752,057**
ASSETS			
Non-Current Assets		**398,260,381**	**379,064,270**
Property, Plant and Equipment	12	380,269,181	362,702,323
Investment Property	13	9,411,197	9,690,469
Intangible Assets	14	268,770	334,581
Capitalised Restoration Cost	15	1,664,002	1,744,746
Heritage Assets	16	2,970,644	2,970,644
Long-Term Receivables	17	3,676,587	1,621,507
Current Assets		**41,325,080**	**48,687,787**
Inventory	18	2,791,450	3,165,903
Trade Receivables from exchange transactions	19	12,948,446	14,095,015
Other Receivables from non-exchange transactions	20	11,500,801	8,879,561
Unpaid Conditional Government Grants and Receipts	9	670,378	972,570
Operating Lease Asset	21.2	10,008	11,821
Taxes	11	4,059,598	3,465,238
Cash and Cash Equivalents	22	9,344,398	18,097,679
Total Assets		**439,585,461**	**427,752,057**

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 (Actual) R	2013 (Restated) R	Correction of error R	2013 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		**158,651,349**	**154,819,169**	(1,100,565)	**155,919,734**
Taxation Revenue		**22,792,230**	**21,645,527**	-	**21,645,527**
Property taxes	23	22,792,230	21,645,527	-	21,645,527
Transfer Revenue		**99,767,469**	**117,576,277**	-	**117,576,277**
Government Grants and Subsidies - Capital	24	21,348,285	51,170,022	-	51,170,022
Government Grants and Subsidies - Operating	24	78,056,246	66,345,163	-	66,345,163
Contributed PPE		362,938	61,092	-	61,092
Transfer DMA From District		-	-	-	-
Other Revenue		**36,091,650**	**15,597,365**	(1,100,565)	**16,697,930**
Actuarial Gains		203,285	3,194,043	-	3,194,043
Fines		35,888,365	12,403,322	(1,100,565)	13,503,887
Revenue from Exchange Transactions		**95,416,794**	**86,994,854**	**166,398**	**86,828,456**
Property Rates - penalties imposed and collection charges		399,873	607,297	-	607,297
Service Charges	25	85,099,374	78,302,416	-	78,302,418
Rental of Facilities and Equipment		814,984	749,715	(822)	750,537
Interest Earned - external investments		1,011,514	978,977	-	978,977
Interest Earned - outstanding debtors		1,858,351	1,391,595	-	1,391,595
Licences and Permits		545,598	657,424	147,059	510,365
Agency Services		541,057	471,592	-	471,592
Other Income	26	5,146,043	3,835,838	20,161	3,815,877
Total Revenue		**254,068,143**	**241,814,023**	**(934,167)**	**242,748,190**
EXPENDITURE					
Employee related costs	27	65,903,771	60,608,770	-	60,608,770
Remuneration of Councillors	28	3,864,683	3,824,437	(278,143)	4,102,580
Debt Impairment	29	27,426,048	8,000,132	-	8,000,132
Collection Cost		652,890	677,580	-	677,580
Depreciation and Amortisation	30	14,138,578	13,352,891	67,589	13,285,322
Impairments	31	-	11,216	11,216	-
Repairs and Maintenance	32	17,705,648	11,241,566	-	11,241,588
Actuarial losses	4	1,879,927	3,106	-	3,106
Finance Charges	33	4,086,726	4,132,089	(65,355)	4,197,444
Bulk Purchases	34	39,286,778	36,515,007	(6,648,662)	43,161,669
Contracted services		8,765,792	7,695,664	-	7,695,664
Grants and Subsidies Paid	35	60,000	39,859	-	39,859
Stock Adjustments		7,232,966	6,646,662	6,646,662	-
Other Operating Grant Expenditure	36	37,351,567	29,358,204	-	29,358,204
Loss on disposal of PPE		21,844	85,728	-	85,728
General Expenses	37	15,806,499	15,610,034	278,143	15,331,891
Total Expenditure		**244,183,717**	**197,802,945**	**13,430**	**197,789,515**
NET SURPLUS FOR THE YEAR		**9,884,426**	**44,011,078**	**(947,597)**	**44,958,675**

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Self Insurance Reserve	Housing Development Fund	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
Balance at 1 July 2012	**765,283**	**4,138,843**	**1,885,759**	**288,044,335**	**294,834,222**
Correction of error - See Note 38.04	-	-	-	227,153	227,153
Restated Balance at 1 July 2012	**765,283**	**4,138,843**	**1,885,759**	**288,271,488**	**295,061,375**
Net Surplus/(Deficit) for the year	-	-	-	44,958,675	44,958,675
Correction of error - See Note 38.01	-	-	-	(947,597)	(947,597)
Contribution to Insurance Reserve	464,705	-	-	(464,705)	-
Insurance claims processed	(194,651)	-	-	194,651	-
Transfer to CRR	-	-	3,245,801	(3,245,801)	-
Property, Plant and Equipment purchased	-	-	(584,996)	584,996	-
Transfer to Housing Development Fund	-	31,342		(31,342)	-
Rounding	-	-		42	42
Restated Balance at 1 July 2013	**1,035,337**	**4,170,185**	**4,546,564**	**329,320,407**	**339,072,495**
Net Surplus/(Deficit) for the year	-	-	-	9,884,426	9,884,426
Transfer to CRR	-	-	4,403,983	(4,403,983)	-
Property, Plant and Equipment purchased	-	-	(4,100,941)	4,100,941	-
Contribution to Insurance Reserve	273,445	-	-	(273,445)	-
Insurance claims processed	(190.097)	-	-	190,097	-
Transfer to Housing Development Fund	-	27,974	-	(27,974)	-
Rounding	-	-	-	26	26
Balance at 30 June 2014	**1,118,685**	**4,198,159**	**4,849,606**	**338,790,495**	**348,956,947**

BEAUFORT WEST LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 R	2013 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		119,337,093	156,746,334
Government		103,541,308	89,245,983
Interest		2,869,865	2,370,572
Payments			
Suppliers and employees		(201,774,732)	(180,895,591)
Finance charges	33	(4,086,726)	(4,132,089)
Transfers and Grants		(60,000)	(39,859)
Net Cash from Operating Activities		**19,826,808**	**63,295,350**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(30,821,499)	(54,135,308)
Proceeds on Disposal of Fixed Assets		-	113,740
Purchase of Intangible Assets		(24,809)	(7,359)
(Increase)/Decrease in Long-term Receivables		(2,055,080)	(288,384)
Net Cash from Investing Activities		**(32,901,389)**	**(54,317,311)**
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		4,092,471	2,357,891
New loans (repaid)		(3,525,696)	(3,781,193)
Rounding		25	26
Net Cash from Financing Activities		**566,800**	**-1,423,276**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(12,507,781)**	**7,554,763**
Cash and Cash Equivalents at the beginning of the year		18,097,679	10,542,916
Cash and Cash Equivalents at the end of the year	40	5,589,898	18,097,679
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(12,507,781)**	**7,554,763**

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash	12,070	12,330	(260)	
Call investment deposits	9,332,328	4,642,893	4,689,435	Additional grants received and CRR contributions
Primary bank account	-	-	-	
Consumer debtors	12,948,446	26,524,492	(13,576,046)	Included in other receivables
Other Receivables	16,240,785	3,477,883	12,762,902	Included in consumer debtors
Current portion of long-term receivables	-	-	-	
Inventory	2,791,450	3,209,850	(418,400)	Decrease in stock
Total current assets	41,325,080	37,867,448	3,457,632	
Non current assets				
Long-term receivables	3,676,587	1,621,507	2,055,080	Increase in debtor arrangements
Investments	-	-	-	
Investment property	9,411,197	9,368,931	42,266	
Property, plant and equipment	384,903,826	387,677,214	(2,773,388)	Unspent grants
Biological Assets	-	-	-	
Intangible Assets	268,770	260,713	8,057	
Heritage Assets	-	-	-	
Total non current assets	398,260,381	398,928,365	(667,984)	
TOTAL ASSETS	439,585,461	436,795,813	2,789,648	
LIABILITIES				
Current liabilities				
Bank overdraft	3,754,500	-	3,754,500	Cash flow problems and increase in payables
Borrowing	3,476,271	3,258,073	218,198	Finance Lease vehicles
Consumer deposits	1,138,815	1,200,000	(61,185)	
Trade and other payables	28,436,306	21,419,891	7,016,415	Cash flow problems and increase in payables
Provisions and Employee Benefits	7,731,480	9,783,084	(2,051,604)	Over budgeted
Total current liabilities	44,537,372	35,661,048	8,876,324	
Non current liabilities				
Borrowing	14,602,574	12,826,058	1,776,516	Finance Lease vehicles
Provisions and Employee Benefits	31,488,569	33,142,412	(1,653,843)	Provision for landfill sites calculation changed
Total non current liabilities	46,091,143	45,968,470	122,673	
TOTAL LIABILITIES	90,628,516	81,629,518	8,998,998	
NET ASSETS	348,956,945	355,166,295	(6,209,350)	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	338,790,495	347,142,508	(8,352,013)	Net of all reasons
Reserves	10,166,450	8,023,787	2,142,663	Additional contribution to CRR
TOTAL COMMUNITY WEALTH/EQUITY	348,956,945	355,166,295	(6,209,350)	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash	13,170	(840)	12,330	
Call investment deposits	6,754,000	(2,111,107)	4,642,893	Additional spending on CRR
Consumer debtors	18,771,062	7,753,430	26,524,492	Decrease in payment percentage
Other Receivables	4,000,000	(522,117)	3,477,883	
Current portion of long-term receivables	-	-	-	
Inventory	3,209,850	-	3,209,850	
Total current assets	32,748,082	5,119,366	37,867,448	
Non current assets				
Long-term receivables	1,233,123	388,384	1,621,507	Increase in arrangements with debtors
Investments	-	-	-	
Investment property	9,368,931	-	9,368,931	
Property, plant and equipment	388,581,142	(903,928)	387,677,214	
Biological Assets	-	-	-	
Intangible Assets	252,267	8,446	260,713	
Heritage Assets	-	-	-	
Total non current assets	399,435,463	(507,098)	398,928,365	
TOTAL ASSETS	432,183,545	4,612,268	436,795,813	
LIABILITIES				
Current liabilities				
Bank overdraft	-	-	-	
Borrowing	3,900,000	(641,927)	3,258,073	Finance Lease vehicles returned
Consumer deposits	1,200,000	-	1,200,000	
Trade and other payables	21,408,490	11,401	21,419,891	
Provisions and Employee Benefits	4,736,509	5,046,575	9,783,084	Post employee benefits and landfill sites
Total current liabilities	31,244,999	4,416,049	35,661,048	
Non current liabilities				
Borrowing	11,140,937	1,685,121	12,826,058	New finance lease vehicles
Provisions and Employee Benefits	33,142,412	-	33,142,412	
Total non current liabilities	44,283,349	1,685,121	45,968,470	
TOTAL LIABILITIES	75,528,348	6,101,170	81,629,518	
NET ASSETS	356,655,197	(1,488,902)	355,166,295	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	349,427,097	(2,284,589)	347,142,508	Net of all reasons
Reserves	7,228,100	795,687	8,023,787	Additional contribution to CRR
TOTAL COMMUNITY WEALTH/EQUITY	356,655,197	(1,488,902)	355,166,295	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Property rates	22,792,230	22,815,000	(22,770)	
Property rates - penalties & collection charges	399,873	620,000	(220,127)	Over budgeted
Service charges	85,099,374	86,836,079	(1,736,705)	Over budgeted
Rental of facilities and equipment	814,984	1,009,014	(194,030)	Over budgeted
Interest earned - external investments	1,011,514	1,060,000	(48,486)	
Interest earned - outstanding debtors	1,858,351	1,500,000	358,351	Under budgeted
Dividends received	-	-	-	
Fines	35,888,365	14,042,000	21,846,365	Fines actual recorded according to IGRAP 1
Licences and permits	545,598	637,800	(92,202)	
Agency services	541,057	510,000	31,057	
Government Grants and Subsidies - Operating	78,056,246	77,571,040	485,206	Additional grant received
Other revenue	5,712,266	3,083,977	2,628,289	Additional grant received (VAT)
Gains on disposal of PPE	-	1,000	(1,000)	
Total Operating Revenue	232,719,858	209,685,910	23,033,948	
EXPENDITURE BY TYPE				
Employee related costs	65,903,771	67,216,728	(1,312,957)	Vacant posts
Remuneration of councillors	3,864,883	4,169,560	(304,677)	Deputy Mayor not appointed
Debt impairment	27,426,048	2,600,000	24,826,048	Fines provision contribution according to IGRAP 1
Depreciation & asset impairment	14,138,578	14,215,616	(77,038)	
Finance charges	4,086,726	1,662,194	2,424,532	Post Retirement Benefits and Landfill sites
Bulk purchases	46,519,744	49,950,000	(3,430,258)	Over budgeted
Other materials	17,705,848	19,239,955	(1,534,107)	Over budgeted
Contracted services	8,765,792	7,048,418	1,717,374	Security services
Grants and subsidies paid	60,000	-	60,000	Budgeted under other expenditure
Other expenditure	55,690,883	57,775,755	(2,084,872)	Over budgeted
Loss on disposal of PPE	21,844	-	21,844	
Total Operating Expenditure	244,183,717	223,878,226	20,305,491	
Operating Deficit for the year	(11,463,859)	(14,192,316)	2,728,457	
Government Grants and Subsidies - Capital	21,348,285	29,565,672	(8,217,387)	Underspending with Unspent Conditional Grants at yearend
Net Surplus for the year	9,884,426	15,373,356	(5,488,930)	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments
REVENUE BY SOURCE				
Property rates	23,732,030	(917,030)	22,815,000	Revenue from new valuation roll estimates not realised
Property rates - penalties & collection charges	620,000	-	620,000	
Service charges	86,958,664	(122,585)	86,836,079	
Rental of facilities and equipment	959,849	49,165	1,009,014	
Interest earned - external investments	1,060,000	-	1,060,000	
Interest earned - outstanding debtors	1,415,000	85,000	1,500,000	
Dividends received	-	-	-	
Fines	12,495,060	1,546,940	14,042,000	6 months actual supported increase in budget
Licences and permits	637,900	(100)	637,800	
Agency services	460,000	50,000	510,000	6 months actual supported increase in budget
Government Grants and Subsidies - Operating	68,035,000	9,536,040	77,571,040	Additional grants received
Other revenue	1,229,041	1,854,936	3,083,977	6 months actual supported increase in budget and additional grants received (VAT)
Gains on disposal of PPE	1,000	-	1,000	
Total Operating Revenue	197,603,544	12,082,366	209,685,910	
EXPENDITURE BY TYPE				
Employee related costs	67,177,066	39,662	67,216,728	
Remuneration of councillors	4,169,560	-	4,169,560	
Debt impairment	2,600,000	-	2,600,000	
Depreciation & asset impairment	14,215,616	-	14,215,616	
Finance charges	1,577,184	85,010	1,662,194	
Bulk purchases	49,950,000	-	49,950,000	
Other materials	15,667,579	3,572,376	19,239,955	Additional grant received
Contracted services	7,161,846	(113,428)	7,048,418	
Grants and subsidies paid	-	-	-	
Other expenditure	47,407,273	10,368,482	57,775,755	Additional grant received
Loss on disposal of PPE	-	-	-	
Total Operating Expenditure	209,926,124	13,952,102	223,878,226	
Operating Deficit for the year	(12,322,580)	(1,869,736)	(14,192,316)	
Government Grants and Subsidies - Capital	24,012,000	5,553,672	29,565,672	Additional grant received
Net Surplus for the year	11,689,420	3,683,936	15,373,356	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	119,337,093	124,903,954	(5,566,861)	Fines actual recorded according to IGRAP 1
Government - operating	82,193,023	72,125,994	10,067,029	Additional grants received net of operating and capital
Government - capital	21,348,285	28,600,350	(7,252,065)	Additional grants received net of operating and capital
Interest	2,869,865	1,060,000	1,809,865	Interest on outstanding debtors
Dividends	-	-	-	
Payments				
Suppliers and Employees	(201,774,732)	(204,670,416)	2,895,684	
Finance charges	(4,068,726)	(1,662,194)	(2,424,532)	Post retirement benefits and landfill sites
Transfers and Grants	(60,000)	-	(60,000)	Budgeted under other expenditure
NET CASH FROM/(USED) OPERATING ACTIVITIES	19,626,808	20,357,688	(530,880)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	-	-	-	
Decrease/(Increase) in non-current receivables	(2,055,080)	701,061	(2,756,141)	Increase in debtor arrangements
Decrease/(Increase) in non-current debtors	-	-	-	
Payments				
Capital assets	(30,846,308)	(30,319,410)	(526,898)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(32,901,389)	(29,618,349)	-3,283,040	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	4,092,471	-	4,092,471	Finance lease vehicles
Increase/(decrease) in consumer deposits	-	47,370	(47,370)	
Payments				
Repayment of borrowing	(3,525,696)	(4,229,165)	703,469	More finance lease vehicles returned
NET CASH FROM/(USED) FINANCING ACTIVITIES	566,775	(4,181,795)	4,748,570	
NET INCREASE/(DECREASE) IN CASH HELD	(12,507,806)	(13,442,456)	934,650	Net of all reasons
Cash and Cash Equivalents at the beginning of the year	18,097,679	18,097,679	-	
Cash and Cash Equivalents at the end of the year	5,589,898	4,655,223	934,675	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET ANO ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	125,474,210	(570,256)	124,903,954	
Government - operating	67,660,000	4,465,994	72,125,994	Additional grants received
Government - capital	24,012,000	4,588,350	28,600,350	Additional grants received
Interest	1,060,000	-	1,060,000	
Dividends	-	-	-	
Payments				
Suppliers and Employees	(190,692,034)	(13,778,382)	(204,670,416)	Cash flow problems and increase in payables
Finance charges	(1,577,184)	(85,010)	(1,662,194)	
Transfers and Grants	-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	25,736,992	(5,379,304)	20,357,688	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	-	-	-	
Decrease/(Increase) in non-current receivebles	701,061	-	701,061	
Decrease/(Increase) in non-current debtors	-	-	-	
Payments				
Capital assets	(25,021,860)	(5,297,550)	(30,319,410)	Additionel grants received
NET CASH FROM/(USED) INVESTING ACTIVITIES	(24,320,799)	(5,297,550)	(29,618,349)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	47,370	-	47,370	
Payments				
Repeymant of borrowing	(4,229,165)	-	(4,229,165)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4,181,795)	-	(4,181,795)	
NET INCREASE/(DECREASE) IN CASH HELD	(2,765,602)	(10,676,854)	(13,442,456)	Net of all reasons
Cash and Cash Equivalents at the beginning of the year	9,532,772	8,564,907	18,097,679	
Cash and Cash Equivalents at the end of the year	6,767,170	(2,111,947)	4,655,223	

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework , have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – March 2012) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not effective yet:

Standard	Description	Effective Date
GRAP 5 (Revised Feb 2013)	Borrowing Costs	1 April 2014
GRAP 100 (Revised – Feb 2013)	Discontinued Operations (formerly known as Non-current assets held for Sale and Discontinued Operations)	1 April 2014

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible where the acquisition cost of an asset could not be determined.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand.

1.3. GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include errors.

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts are disclosed as a separate additional financial statement, namely Statement of comparison of budget and actual amounts.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts, i.e. 1 July 2013 to 30 June 2014. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations for differences between the approved and final budget are included in the Notes to the Financial Statements..

Explanations for material differences between the final budget amounts and actual amounts are included the Notes to the Financial Statements.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 6 (Revised – Nov 2010	**Consolidated and Separate Financial Statements** The objective of this Standard is to prescribe the circumstances in which consolidated and separate financial statements are to be prepared and the information to be included in those financial statements so that the consolidated financial statements reflect the financial performance, financial position and cash flows of an economic entity as a single entity. No significant impact is expected as the Municipality does not have any entities at this stage to be consolidated.	Unknown
GRAP 8 (Revised – Nov 2010)	**Interest in Joint Ventures** The objective of this Standard is to prescribe the accounting treatment of jointly controlled operations, jointly controlled assets and jointly controlled entities and to provide alternatives for the recognition of interests in jointly controlled entities. No significant impact is expected as the Municipality is not involved in any joint ventures.	Unknown
GRAP 18 (Original – Feb 2011)	**Segment Reporting** The objective of this Standard is to establish principles for reporting financial information by segments. No significant impact is expected as information to a large extent is already included in the appendices to the financial statements which do not form part of the audited financial statements.	1 April 2015
GRAP 20 (Original – June 2011)	**Related Party Disclosure** The objective of this Standard is to ensure that a Municipality's financial statements contains the disclosures necessary to draw attention to the possibility that its financial position and surplus or	Unknown

	deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. The Municipality resolved to adopt the disclosure requirements as per GRAP 20. The information is therefore included in the financial statements.	
GRAP 32 (Original – Aug 2013)	**Service Concession Arrangements: Grantor** The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
IGRAP 17	**Service Concession Arrangements where a grantor controls a significant residual interest in an Asset** The objective of this Interpretation of the Standard is to provide guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. **No significant impact is expected as the Municipality does not have any Concession Arrangements at this stage.**	Unknown
GRAP 105 (Original – Nov 2010)	**Transfer of Functions Between Entities Under Common Control** The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. No significant impact expected as no such transactions or events are expected in the foreseeable future.	1 April 2015
GRAP 106 (Original – Nov 2010)	**Transfer of Functions Between Entities Not Under Common Control** The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. No significant impact expected as no such transactions or events are expected in the	1 April 2015

	foreseeable future.	
GRAP 107 (Original – Nov 2010)	**Mergers** The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger. No significant impact expected as no such transactions or events are expected in the foreseeable future.	1 April 2015
GRAP 108 (Original – Sept 2013)	**Statutory Receivables** The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
IGRAP 11	**Consolidation - Special Purpose Entities (SPE)** The objective of this Interpretation of the Standard is to prescribe under what circumstances an entity should consolidate a SPE. No significant impact is expected as the Municipality does not have any SPE's at this stage.	Unknown
IGRAP 12	**Jointly Controlled Entities non-monetary contributions** The objective of this Interpretation of the Standard is to prescribe the treatment of profit/loss when an asset is sold or contributed by the venturer to a Jointly Controlled Entity (JCE). No significant impact is expected as the Municipality does not have any JCE's at this stage.	Unknown

These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.9. RESERVES

1.9.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/ to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilized.

1.9.2 Housing Development Fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress, as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.9.3 Self Insurance Reserve

A Self Insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

- Contributions to the fund by Business Units are transferred via the Statement of Changes in Net Assets to the reserve in line with amounts budgeted for in the operating budget. The contributions to the reserve are charged to the Business Units based on the previous year's insured value of the assets under their control.
- The Council determines annually to contribute to the Self Insurance Reserve.
- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Self Insurance Reserve.
- Claims received from external insurers are recognised as revenue in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the statement of financial performance.
- Repair and replacement costs not fully covered by external insurance are financed from the insurance reserve. The repair and replacement cost is regarded as an expense and is reflected in the Statement of financial performance. An amount equal to the expense is transferred from the Insurance Reserve to the Accumulated Surplus via the Statement of changes in net assets.
- Amounts paid on behalf of employees in respect of medical costs for injuries sustained whilst on duty are regarded as expenses and are recorded in the Statement of Financial Performance when incurred. An amount equal to these expenses is transferred from the Insurance Reserve to the Accumulated Surplus account via the Statement of Changes in Net Assets.

1.10. LEASES

1.10.1 Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding

liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.10.2 Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease revenue is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality recognises the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

1.11. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.

- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.12. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

1.13. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.14. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The Municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is de-recognised.

1.15. EMPLOYEE BENEFITS

Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

1.15.1 Post Retirement Medical Obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 –

"Employee Benefits" (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15.2 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation. .

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15.3 Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the basic salary of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave, limited to 48 day, will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

1.15.4 Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

1.15.5 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.15.6 Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are recognised in the Statement of Financial Performance in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.16. PROPERTY, PLANT AND EQUIPMENT

1.16.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary

assets, the assets acquired is initially measured at fair value (the cost). It the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.16.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.16.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

	Years		*Years*
Infrastructure		**Other**	
Roads and Paving	5-130	Buildings	30-105
Pedestrian Malls	10-30	Specialist vehicles	3-70
Electricity	6-130	Other vehicles	3-70
Water	10-130	Office equipment	3-25
Sewerage	10-130	Furniture and fittings	2-30
Housing	30	Watercraft	15
		Bins and containers	5
Community		Specialised plant and	
Buildings	10-105	Equipment	3-40
Recreational Facilities	20-105	Other plant and	
Security	30	Equipment	3-40
Halls	30-105	Landfill sites	10-100
Libraries	20-105	Quarries	5-25
Parks and gardens	20-105	Emergency equipment	3-30
Other assets	10-105	Computer equipment	3-20
Finance lease assets			
Office equipment	3-7		
Other assets	3-7		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.16.4 De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.17. INTANGIBLE ASSETS

1.17.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Municipality intends to do so; or

- arises from binding arrangements from contracts, regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the Municipality has the resources to complete the project;
- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.17.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.17.3 Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over its estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	Years
Computer Software	3 - 10

1.17.4 De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.18. INVESTMENT PROPERTY

1.18.1 Initial Recognition

Investment property is recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is measured at cost.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.18.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.18.3 Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Investment Property	Years
Buildings	30

1.18.4 De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.19 HERITAGE ASSETS

1.19.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

1.19.2 Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.19.3 Depreciation and Impairment

Heritage assets are not depreciated

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.19.4 De-recognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.20. NON-CURRENT ASSETS HELD FOR SALE

1.20.1 Initial Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.20.2 Subsequent Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in the Statement of Financial Performance.

1.21. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.21.1 Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information
- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated.
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information
- Evidence is available of obsolescence or physical damage of an asset.
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.21.2 Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information
- Cessation, or near cessation, of the demand or need for services provided by the asset.
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information
- Evidence is available of physical damage of an asset.
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date.
- A decision to halt the construction of the asset before it is complete or in a usable condition.
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its

recoverable service amount. That reduction is an impairment loss is recognised in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches, depending on the nature of the asset in question:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.22. INVENTORIES

1.22.1 Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is being measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.22.2 Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

The basis of allocating cost to inventory items is the weighted average method.

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.23. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both form exchange and non-exchange transactions) and non-current investments. The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

1.23.1 Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.23.2 Subsequent Measurement

Financial assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial liabilities are categorised as either at fair value or financial liabilities carried at amortised cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.23.2.1 Receivables

Receivables are classified as financial assets at amortised cost, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate,

the discount rate for measuring any impairment loss is the current effective interest rate.

1.23.2.2 *Payables and Annuity Loans*

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, and are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.23.2.3 *Cash and Cash Equivalents*

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities carried at amortised cost.

1.23.2.4 *Non-Current Investments*

Investments which include investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.23.3 De-recognition of Financial Instruments

1.23.3.1 *Financial Assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.23.3.2 *Financial Liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.23.4 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

1.24. REVENUE

1.24.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of iGRAP 1, as there is no intention of collecting this revenue.

Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised when monies are received, as the Municipality does not have any control over fines issued by other government institutes.

The Municipality estimates the water and electricity consumption from the last meter readings in June up until 30 June. The estimated consumption usage is based on system average of the year per month divided by 30 days times the amount of days since last reading until 30 June.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue is measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

1.24.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created. . The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 2 to 3 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is regarded as not material and is not disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs

are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the Municipality and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Municipality.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating;
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value

of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.25. RELATED PARTIES

The Municipality resolved to adopt the disclosure requirements as per GRAP 20 – "Related Party Disclosures".

A related party is a person or an entity:

- with the ability to control or jointly control the other party,
- or exercise significant influence over the other party, or vice versa,
- or an entity that is subject to common control, or joint control.

The following are regarded as related parties of the Municipality:

(a) A person or a close member of that person's family is related to the Municipality if that person:
  - has control or joint control over the Municipality.
  - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
  - is a member of the management of the Municipality or its controlling entity.

(b) An entity is related to the Municipality if any of the following conditions apply:
  - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
  - both entities are joint ventures of the same third party.
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
  - the entity is controlled or jointly controlled by a person identified in (a).
  - a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

(a) are married or live together in a relationship similar to a marriage; or
(b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management (formerly known as "Key Management") includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

(a) all members of the governing body of the Municipality;
(b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
(c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
(d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

(a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.

(b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer an all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.26. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the

Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities.

1.30. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.30.1 Post retirement medical obligations and Long service awards

The cost of post retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 4 of the financial statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.30.2 Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of

their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.30.3 Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment.

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

1.30.4 Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Management referred to the following when making assumptions regarding useful lives of intangible assets:

- Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

1.30.5 Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuators to support the useful life of buildings.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.30.6 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

1.30.7 Revenue Recognition

Accounting Policy 1.24.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.24.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised when monies are received, as the Municipality does not have any control over fines issued by other government institutes. The Municipality estimates the water and electricity consumption from the last meter readings in June up until 30 June. The estimated consumption usage is based on system average of the year per month divided by 30 days times the amount of days since last reading until 30 June. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.30.8 Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are recognised in the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.

- Interest rates (investment rate) linked to prime was used to calculate the effect of time value of money.

1.30.9 Provision for Task Implementation

The provision at 30 June for Task Implementation represents the Municipality's obligation towards qualifying officials as a result of a new national grading system for municipalities which came into effect on 1 October 2009. The calculation was based on the difference between the current basic salary compared to the basic salary as per new TASK grading. The difference between these two packages was backdated to the implementation date of the TASK grading system.

1.30.10 Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made on basic salary for the accrued leave, limited to 48 day, at reporting date. This provision will be realised as employees take leave or when employment is terminated.

1.30.11 Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

1.30.12 Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

1.30.13 Pre-paid electricity estimation

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 2 to 3 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is regarded as not material and is not disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

1.31. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.32. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.33. EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.34. BORROWING COSTS

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.

1.35. TAXATION

1.35.1 Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

1.35.2 Deferred tax assets and liabilities

Deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available

against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

1.35.3 Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus/deficit for the period.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

		2014 R	2013 R
2	**NET ASSET RESERVES**		
	RESERVES	10,166,450	9,752,086
	Capital Replacement Reserve	4,849,606	4,546,564
	Housing Development Fund	4,198,159	4,170,185
	Self Insurance Reserve	1,118,685	1,035,337
	Total Net Asset Reserve and Liabilities	**10,166,450**	**9,752,086**

The above balances are represented by cash of R218 612 for the current year and R197 487 (2013) and is invested together with the other investments of the municipality (See Note 22)

		2014 R	2013 R
3	**LONG TERM LIABILITIES**		
	Annuity Loans - At amortised cost	13,544,430	15,417,378
	Capitalised Lease Liability - At amortised cost	4,534,416	2,094,697
		18,078,846	**17,512,075**
	Less: Current Portion transferred to Current Liabilities	**3,476,271**	**2,808,681**
	Annuity Loans - At amortised cost	1,516,227	1,877,333
	Capitalised Lease Liability - At amortised cost	1,960,044	931,348
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	**14,602,574**	**14,703,394**

Annuity loans at amortised cost is calculated at 6.75%-14.00% interest rate, with last maturity date of 31 December 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured

Finance Lease loans at amortised cost is calculated at 8.50%-20.50% interest rate, with last maturity date of 31 Mei 2017. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured

	2014 R	2013 R
The obligations under annuity loans are scheduled below:	Minimum annuity payments	
Amounts payable under annuity loans:		
Payable within one year	2,870,994	3,408,253
Payable within two to five years	8,963,878	10,048,582
Payable after five years	11,173,707	12,951,283
	23,008,579	26,408,117
Less: Future finance obligations	(9,464,179)	(10,990,755)
Present value of annuity obligations	**13,544,400**	**15,417,362**

The obligations under finance leases are scheduled below:	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	2,269,318	1,069,932
Payable within two to five years	2,729,375	1,254,478
Payable after five years	-	-
	4,998,693	2,324,410
Less: Future finance obligations	(464,279)	(229,718)
Present value of lease obligations	**4,534,414**	**2,094,692**

Leases are secured by property, plant and equipment - Note 12

3 LONG TERM LIABILITIES (CONTINUE)

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective interest rate	Annual Escalation	Lease Term	Maturity Date
Eqstra	Cz 4548 Toyota Corolla 1.3 Impact	11.98%	0%	3 Years	2013/09/30
Eqstra	Cz 4557 Toyota Corolla 1.3 Impact	11.98%	0%	3 Years	2013/09/30
Eqstra	Cz 4560 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
Eqstra	Cz 4561 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
Eqstra	Cz 4554 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
Eqstra	Cz 4741 Toyota Hilux 2.5 D-4d P/u S/c	12.09%	0%	3 Years	2013/09/30
Eqstra	Cz 4584 Toyota Hilux 2.5 D-4d P/u S/c	12.09%	0%	3 Years	2013/09/30
Eqstra	Cz 4567 Toyota Hilux 2.5 D-4d P/u S/c	12.09%	0%	3 Years	2013/09/30
Eqstra	Cz 4577 Toyota Hilux 2.5 D-4d P/u S/c	12.04%	0%	3 Years	2013/09/30
Eqstra	Cz 4566 Toyota Hilux 2.5 D-4d P/u S/c	12.04%	0%	3 Years	2013/09/30
Eqstra	Cz 4754 Toyota Hilux 2.5 D-4d P/u S/c	11.99%	0%	3 Years	2013/09/30
Eqstra	Cz 4746 Toyota Hilux 2.5 D-4d P/u S/c	11.99%	0%	3 Years	2013/09/30
Eqstra	Cz 4336 Toyota Hilux 2.5 D-4d P/u S/c	12.13%	0%	3 Years	2013/10/31
Eqstra	Cz 4738 Toyota Hilux 2.5 D-4d P/u S/c	12.06%	0%	3 Years	2013/11/30
Eqstra	Cz 4730 Toyota Hilux 2.5 D-4d P/u S/c	12.06%	0%	3 Years	2013/11/30
Eqstra	Cz 6725 Ldv Toyota	9.00%	0%	3 Years	2014/10/13
Nashua	mp4001	9.00%	0%	3 Years	2014/09/30
Nashua	mpc5501	9.00%	0%	3 Years	2014/08/31
Eqstra	Cz 8282 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8340 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8341 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8343 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8408 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8410 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8414 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8415 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2018/04/30
Eqstra	Cz 8418 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2018/04/30
Eqstra	Cz 8419 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8421 Toyote Yaris Zen3 Acs	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8422 Toyote Yaris Zen3 Acs	8.50%	0%	3 Years	2016/04/30
Panasonic	Machine Photocopy Kyocera Fs1128	9.00%	0%	5 Years	2018/08/30
Panasonic	Machine Photocopy Kyocere Fs 6025	9.00%	0%	5 Years	2016/07/30
Panasonic	Pabx Telephone System	9.00%	15%	5 Years	2016/03/30
Panasonic	Cctv Camera's	20.50%	0%	3 Years	2015/09/30
Panasonic	Cctv Camera's	9.00%	15%	3 Years	2014/07/30
Eqstra	Cz 2078 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 2477 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 4155 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8684 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8685 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8888 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8887 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 5753 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 5138 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 6192 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8563 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/06/30
Eqstra	Cz 1096 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/11/30
Eqstra	Cz 5366 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 4898 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 4296 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 2295 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 1481 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 8728 Sedan Toyota Etio's	8.50%	0%	3 Yeers	2016/10/30
Eqstra	Cz 6743 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/11/30
Wesbak	Cz 3697 Truck Nissan Ud 90b F/c C/c	8.50%	0%	3 Years	2017/01/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Minolta	machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Minolta	machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Minolta	machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Eqstra	Cz 9005 Isuzu Kb250d Leed Fleetside P/u S	9.00%	0%	3 Years	2017/05/30

4 EMPLOYEE BENEFITS	Notes	2014 R	2013 R
Post Retirement Benefits	4.1	22,614,203	19,242,724
Long Service Awards	4.2	3,167,820	3,023,067
Pension Murraysburg		30,393	29,234
Total Non-current Employee Benefit Liabilities		**25,812,416**	**22,295,025**
Post Retirement Benefits			
Balance 1 July		19,978,516	21,524,707
Contribution for the year		(800,557)	(826,186)
Expenditure for the year		2,483,291	2,474,038
Actuarial Loss/(Gain)		1,879,927	(3,194,043)
Total post retirement benefits 30 June		**23,541,177**	**19,978,516**
Less: Transfer of Current Portion	7	(926,974)	(735,792)
Balance 30 June		**22,614,203**	**19,242,724**
Long Service Awards			
Balance 1 July		3,478,317	3,246,547
Contribution for the year		(209,774)	(331,808)
Expenditure for the year		503,723	560,472
Actuarial Loss/(Gain)		(203,285)	3,106
Total long service 30 June		**3,568,981**	**3,478,317**
Less: Transfer of Current Portion	7	(401,161)	(455,250)
Balance 30 June		**3,167,820**	**3,023,067**
Pension Murraysburg			
Balance 1 July		29,234	27,924
Expenditure for the year		1,159	1,310
Balance 30 June		**30,393**	**29,234**
TOTAL NON-CURRENT EMPLOYEE BENEFITS			
Balance 1 July		23,486,067	24,799,178
Contribution for the year		(1,010,331)	(1,157,994)
Expenditure for the year		2,988,173	3,035,820
Actuarial Loss/(Gain)		1,676,642	(3,190,937)
Total employee benefits 30 June		**27,140,551**	**23,486,067**
Less: Transfer of Current Portion	7	(1,328,135)	(1,191,042)
Balance 30 June		**25,812,416**	**22,295,025**

4.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2014 R	2013 R
In-service (employee) members	57	64
In-service (employee) non-members	301	268
Continuation members (e.g. Retirees, widows, orphans)	26	23
Total Members	**384**	**355**

The liability in respect of past service has been estimated to be as follows:

	2014 R	2013 R
In-service (employees) members	8,824,030	7,815,266
In-service (employees) non-members	2,666,600	1,997,976
Continuation (retirees and widows) members	12,050,547	10,165,274
Total Liability	**23,541,177**	**19,978,516**

4 EMPLOYEE BENEFITS (CONTINUE)

	2014 R	2013 R

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
In-service members	8,183,241	7,277,383	4,234,313
Continuation members	2,080,071	10,306,593	8,826,987
Continuation (retirees and widows) members	11,261,395		
Total Liability	**21,524,707**	**17,583,976**	**13,061,300**

	2014 Rm	2013 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	1.004	(3.061)
Assets: Gain / (loss)	-	-

Experience adjustments were calculated as follows in respect of periods commencing prior to the comparative year:

	2012 Rm	2011 Rm	2010 Rm
Liabilities: (Gain) / loss	1.678	1.785	-
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2010. Thus there are no experience adjustment figures available on or before 30 June 2010 to fully comply with GRAP 25

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health;
Samwumed; and
Keyhealth.

The Municipality's Accrued Unfunded Liability at 30 June 2014 is estimated at R23 541 177. The Current-service Cost for the year ending 30 June 2014 is eslimated at R783 017. It is estimated to be R793 176 for the ensuing year.

Key actuarial assumptions used:	2014 %	2013 %
i) Rate of interest		
Discount rate	8.93%	8.67%
Health Care Cost Inflation Rate	8.13%	7.60%
Net Effective Discount Rate	0.74%	1.00%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

It has been assumed that in-service members will retire at age 63 for males and 58 for females, which then implicitly allows for expected rates of early and ill-health retirement.

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	23,541,177	19,978,516
Total Liability	**23,541,177**	**19,978,516**

The fund is wholly unfunded.

4 EMPLOYEE BENEFITS (CONTINUE)	2014 R	2013 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	19,978,516	21,524,707
Transfer from DMA (Murraysburg)	-	-
Total expenses	1,682,734	1,647,852
Current service cost	783,017	815,290
Interest Cost	1,700,274	1,658,748
Benefits Paid	(800,557)	(826,186)
Actuarial (gains)/losses	1,879,927	(3,194,043)
Present value of fund obligation at the end of the year	23,541,177	19,978,516
Less: Transfer of Current Portion - Note 7	(926,974)	(735,792)
Balance 30 June	**22,614,203**	**19,242,724**

Sensitivity Analysis on the Accrued Liability

Assumption		In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Central Assumptions		11.491	12.051	23.541	
Health care inflation	1%	13.879	13.405	27.284	16%
Health care inflation	-1%	9.602	10.893	20.495	-13%
Discount Rate	1%	9.629	10.910	20.539	-13%
Discount Rate	-1%	13.885	13.408	27.293	16%
Post-retirement mortality	-1 year	11.900	12.539	24.439	4%
Average retirement age	-1 year	12.290	12.051	24.341	3%
Withdrawal Rate	-50%	7.989	12.051	20.039	-15%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		783,000	1,700,300	2,483,300	
Health care inflation	1%	974,600	1,979,100	2,953,700	19%
Health care inflation	-1%	634,900	1,473,600	2,108,500	-15%
Post-retirement mortality	-1 year	809,200	1,764,300	2,573,500	4%
Average retirement age	-1 year	841,800	1,765,600	2,607,400	5%
Withdrawal Rate	-50%	913,700	1,783,300	2,697,000	9%

4.2 Long Service Bonuses	2014 R	2013 R

The Long Service Bonus plans are defined benefit plans. As at year end, 358 employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability at 30 June 2014 is estimated at R3 568 981. The Current-service Cost for the year ending 30 June 2014 is estimated at R264 427. It is estimated to be R283 215 for the ensuing year.

Key actuarial assumptions used:	2014 %	2013 %
i) Rate of interest		
Discount rate	7.97%	7.35%
General Salary Inflation (long-term)	7.13%	6.80%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.79%	0.51%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

4 EMPLOYEE BENEFITS (CONTINUE)	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	3,568,981	3,478,317
Net liability/(asset)	**3,568,981**	**3,478,317**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
Present value of fund obligations	3,246,547	2,902,880	1,740,386
Total Liability	**3,246,547**	**2,902,880**	**1,740,386**

Experience adjustments were calculated as follows:	2014 R	2013 R
Liabilities: (Gain) / loss	(124,179)	(110,128)
Assets: Gain / (loss)	-	-

Experience adjustments were calculated as follows in respect of periods commencing prior to the comparative year:

	2012 Rm	2011 Rm	2010 Rm
Liabilities: (Gain) / loss	(5,747)	496,177	-
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2010. Thus there are no experience adjustment figures available on or before 30 June 2010 to fully comply with GRAP 25

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	3,478,317	3,246,547
Transfer from DMA (Murraysburg)	-	-
Total expenses	293,949	228,664
Current service cost	264,427	354,221
Interest Cost	239,296	208,251
Benefits Paid	(209,774)	(331,808)
Actuarial (gains)/losses	(203,285)	3,106
Present value of fund obligation at the end of the year	3,568,981	3,478,317
Less: Transfer of Current Portion - Note 7	(401,161)	(455,250)
Balance 30 June	**3,167,820**	**3,023,067**

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		3.569	
General salary Inflation	1%	3.814	7%
General salary Inflation	-1%	3.348	-6%
Discount Rate	1%	3.338	-6%
Discount Rate	-1%	3.830	7%
Average retirement age	-2 yrs	3.093	-13%
Average retirement age	2 yrs	4.184	17%
Withdrawal rates	-50%	4.207	18%

4.3 **Retirement funds**

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

		2014	2013
4	EMPLOYEE BENEFITS (CONTINUE)	R	R

4.3 Retirement funds

CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 100.2% (30 June 2012 - 99.9%).

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in an sound financial position with a funding level of 99.70% (30 June 2012 - 99.40%). Whilst this has increased since the previous actuarial valuations it is still within the Registrar's normally acceptable range of at least a 95% funding level, provided that the previous statutory valuation reflected at least a 99.4% funding level.

SALA PENSION FUND

The contribution rate payable is 8.60% by members and 20.78% by Council. The last actuarial valuation performed for the year ended revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2012 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.

SAMWU PROVIDENT FUND

The contribution rate payable is 7.50% by members and 18% by Council. The last actuarial valuation performed for the year ended revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2012 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.

		2014	2013
5	NON-CURRENT PROVISIONS	R	R
Provision for Rehabilitation of Landfill-sites		5,676,153	5,337,039
Total Non-current Provisions		**5,676,153**	**5,337,039**

Landfill Sites	Notes		
Balance 1 July		5,337,039	5,018,072
Balance previously reported			7,064,563
Correction of Error	38.05		(7,064,563)
Correction of Error	38.05		5,018,072
Increase in Estimate		87,835	91,848
Balance previously reported			-
Correction of Error	38.05		91,848
Unwinding of discounted interest		251,280	227,119
Balance previously reported			292,474
Correction of Error	38.05		(292,474)
Correction of Error	38.05		227,119
Total provision 30 June		**5,676,153**	**5,337,039**
Less: Transfer of Current Portion to Provisions		-	-
Balance 30 June		**5,676,153**	**5,337,039**

Location	Estimated decommission date	Cost of rehabilitation 2014 R	Cost of rehabilitation 2013 R
Beaufort West	2021	2,747,620	2,563,060
Murraysburg	2024	1,168,235	1,108,220
Nelspoort	2029	999,883	943,373
Merweville	2021	760,416	722,387
		5,676,153	5,337,039

Material Assumtions used

5 NON-CURRENT PROVISIONS (CONTINUE)

Area of landfill site consumed	2012	2013	2014
Beaufort West	59.08%	61.17%	63.05%
Murraysburg	65.37%	66.37%	67.32%
Nelspoort	42.84%	44.33%	45.74%
Merweville	58.45%	60.24%	61.88%

	2014	2013
Discount Rate used	4.71%	4.71%

The discount rate used the calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk free rate as determined by the municipality. This rate is in line with a competitive investment rate the municipality can obtain from an A grade financial institution. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

6 CONSUMER DEPOSITS	2014 R	2013 R
Water & Electricity	1,138,815	1,159,826
Total Consumer Deposits	**1,138,815**	**1,159,826**

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

7 CURRENT EMPLOYEE BENEFITS	2014 R	2013 R
Current Portion of Post Retirement Benefits - Note 4	926,974	735,792
Current Portion of Long-Service Provisions - Note 4	401,161	455,250
Performance Bonuses	481,518	519,411
Bonuses	1,905,801	1,536,643
Staff Leave	4,016,026	3,909,245
Total Current Employee Benefits	**7,731,480**	**7,156,341**

The movement in current employee benefits are reconciled as follows:

Provision for Performance Bonuses

Balance at beginning of year	519,411	486,961
Contribution to current portion	321,200	444,126
Expenditure incurred	(359,093)	(411,676)
Balance at end of year	**481,518**	**519,411**

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by an executive performance committee.

Bonuses

Balance at beginning of year	1,536,643	1,726,842
Contribution to current portion	4,003,273	2,770,102
Expenditure Incurred	(3,634,115)	(2,960,301)
Balance at end of year	**1,905,801**	**1,536,643**

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

Provision for Staff Leave

Balance at beginning of year	3,909,245	3,250,382
Contribution to current portion	540,012	1,100,689
Expenditure incurred	(433,231)	(441,826)
Balance at end of year	**4,016,026**	**3,909,245**

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

8 PAYABLES FROM EXCHANGE TRANSACTIONS	2014 R	2013 R
Trade Payables	14,888,153	20,843,901
Deposits: Other	1,153,637	1,043,672
Payments received in advance	399,232	668,313
Receivable accounts with credit balances	2,503,674	2,370,144
Pensionfund SALA	2,204,084	2,519,084
Total Trade Payables	**21,148,780**	**27,445,114**

Payables are not being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.

All payments are unsecured.

9 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2014 R	2013 R
Unspent Grants	7,148,474	7,774,144
National and Provincial Government Grants	7,148,474	7,774,144
Less: Unpaid Grants	670,378	972,570
National and Provincial Government Grants	670,378	972,570
Total Conditional Grants and Receipts	**6,478,096**	**6,801,574**

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of ravenue recognised. Grants amounting to R482 929 were withheld.

9.01 Equitable share

Grants received	35,567,000	32,765,000
Conditions met - Operating	(35,567,000)	(32,765,000)
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

9.02 National Grants

Opening balance	(686,641)	7,730,026
Grants received	18,790,000	34,377,674
Interest on investment (Only if condition)	22,551	8,911
Nett Transfers	-	(8,636,001)
Conditions met - Own Income	(1,425,174)	(2,338,860)
Conditions met - Operating	(8,810,022)	(12,931,041)
Conditions met - Capital	(3,453,353)	(18,897,351)
Conditions still to be met	4,437,361	(686,642)

National Grants received with conditions to be met.

9.03 Provincial Grants

Opening balance	7,234,787	4,857,015
Grants received	28,375,102	32,330,845
Interest on investment (Only if condition)	223,935	254,182
Conditions met - Own Income	(109,936)	(155,256)
Conditions met - Operating	(32,991,562)	(18,787,558)
Conditions met - Capital	(162,588)	(11,264,440)
Refund to Donor	(482,929)	-
Conditions still to be met	2,086,809	7,234,788

Provincial Grants received with conditions to be met.

9	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2014 R	2013 R
9.04	**Municipal Infrastructure Grant**		
	Opening balance	-	131,034
	Grants received	20,353,270	21,437,001
	Nett Transfers	(75,111)	1
	Conditions met - Own Income	(2,480,878)	(337,821)
	Conditions met - Operating	(230,514)	(221,979)
	Conditions met - Capital	(17,732,344)	(21,008,234)
	Conditions still to be met	(165,576)	2
	Municipal Infrastructure Grant received with conditions to be met.		
9.05	**Local Economic Development**		
	Opening balance	31,341	29,862
	Interest on investment (Only if condition)	1,603	1,479
	Conditions still to be met	32,944	31,341
	Local Economic Development received with conditions to be met.		
9.06	**Central Karoo District Municipality Funds**		
	Opening balance	222,087	374,976
	Grants received	318,800	521,930
	Interest on investment (Only if condition)	318	294
	Conditions met - Operating	(454,651)	(675,113)
	Conditions still to be met	86,554	222,087
	Central Karoo District Municipality Funds received with conditions to be met.		
9.07	**Public Contributions**		
	Opening balance	-	376,304
	Grants received	137,136	578,533
	Interest on investment (Only if condition)	4,418	10,446
	Conditions met - Own Income	-	(813)
	Conditions met - Operating	(2,502)	(964,470)
	Conditions still to be met	139,052	-
	Public Contributions received with conditions to be met.		
9.08	**Total Conditional Grants and Receipts**		
	Opening balance	6,801,574	13,499,217
	Grants received	67,974,308	89,245,983
	Interest on investment (Only if condition)	252,826	275,312
	Nett Transfers	(75,111)	(8,636,000)
	Conditions met - Own Income	(4,015,989)	(2,832,750)
	Conditions met - Operating	(42,489,250)	(33,580,161)
	Conditions met - Capital	(21,348,285)	(51,170,025)
	Refund to Donor	(482,929)	-
	Conditions still to be met	6,617,145	6,801,576
	Total Conditional Grants and Receipts received with conditions to be met.		

10 UNSPENT PUBLIC CONTRIBUTIONS

Unspent Public Contribution	139,052	-

The Unspent Public Contributions are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

11 TAXES	2014 R	2013 R
VAT	23,809	(49,149)
Provision for Debt Impairment of trade receivables from exchange transactions	4,035,789	3,514,387
	4,059,598	3,465,238

VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance R	Additions R	Transfers/WIP R	Disposals/ Impairments R	Closing Balance R	Opening Balance R	Depreciation Charge R	Disposals/ Impairments/ Transfers R	Closing Balance R	R
30 June 2014										
Land and Buildings	50,656,889	1,990	-	-	50,658,879	952,071	172,030	-	1,124,101	49,534,778
Land	35,144,955	-	-	-	35,144,955	-	-	-	-	35,144,955
Buildings	15,511,934	1,990	-	-	15,513,924	952,071	172,030	-	1,124,101	14,389,823
Infrastructure	328,451,398	13,082,861	12,539,917	-	354,074,176	43,614,659	10,242,645	-	53,857,304	300,216,872
Stormwater Network	38,638,238	1,861,759	41,370	-	40,541,367	6,837,612	1,505,756	-	8,343,368	32,197,999
Road Network	113,738,678	1,808,346	2,326,947	-	117,873,971	15,634,058	3,188,089	-	18,822,147	99,051,824
Sanitation Network	51,960,534	1,139,503	4,461,047	-	57,561,084	5,077,776	1,614,818	-	6,692,594	50,868,491
Electricity Network	66,193,411	5,967,303	3,069,244	-	75,229,958	5,362,722	1,778,033	-	7,140,755	68,089,203
Water Network	56,628,422	2,305,950	2,181,371	-	61,115,743	10,412,459	2,105,818	-	12,518,277	48,597,466
Refuse Network	1,292,115	-	459,938	-	1,752,053	290,033	50,131	-	340,164	1,411,889
Community Assets	17,365,713	644,569	-	-	18,010,282	1,399,826	439,376	-	1,839,202	16,171,079
Taxi Rank	252,000	-	-	-	252,000	15,101	2,468	-	17,569	234,431
Museum	-	-	-	-	-	-	-	-	-	-
Cemeteries	17,200	-	-	-	17,200	1,030	168	-	1,198	16,002
Community centrums	9,686,383	-	-	-	9,686,383	849,293	280,332	-	1,129,625	8,556,758
Recreation sites	6,852,652	844,569	-	-	7,497,221	500,217	150,411	-	650,628	6,846,593
Libraries	557,477	-	-	-	557,477	34,185	5,997	-	40,182	517,295
Lease Assets	4,457,040	4,093,249	-	(2,182,407)	6,367,882	2,000,952	1,546,485	(2,162,407)	1,385,030	5,002,852
Office Equipment (Lease)	628,150	247,737	-	(78,107)	797,780	250,490	108,054	(78,107)	280,437	517,343
Vehicles (Lease)	3,828,890	3,845,512	-	(2,104,300)	5,570,102	1,750,462	1,438,431	(2,104,300)	1,084,593	4,485,509
Other Assets	18,798,798	821,851	-	(561,513)	17,059,136	7,060,007	1,195,200	(539,670)	7,715,537	9,343,599
Computer hardware	2,382,542	197,439	-	-	2,559,981	1,226,561	167,394	(3,001)	1,390,954	1,169,027
Air conditioners	559,368	38,377	-	-	597,745	332,085	29,774	-	361,859	235,886
Chairs	284,164	15,479	-	-	299,643	191,696	11,744	-	203,440	96,203
Concrete Mixer	11,938	-	-	-	11,938	9,017	325	-	9,342	2,596
Desks & Tables	322,173	6,350	-	-	328,523	202,738	12,833	-	215,571	112,952
Compactors	30,731	-	-	-	30,731	23,774	849	-	24,623	6,108
Compressors	218,751	-	-	-	218,751	44,755	10,146	-	54,901	163,850
Tools	798,059	265,972	-	-	1,064,031	365,486	55,936	-	421,422	642,609
Electronic Equipment	890,004	157,820	-	-	847,824	372,915	42,360	-	415,275	432,549
Fire Brigade Equipment	138,990	-	-	-	138,990	23,430	6,456	-	29,888	109,104
Lawn Equipment	290,475	10,115	-	-	300,590	183,973	12,595	-	196,568	104,022
Trucks/LDV	6,438,972	-	-	(475,718)	5,963,254	2,182,006	532,175	(455,995)	2,258,186	3,705,068
Motor Vehicles	532,836	13,154	-	(44,776)	501,214	171,239	70,432	(40,456)	201,215	299,999
Office Equipment	557,825	-	-	(21,019)	536,806	372,815	28,310	(21,019)	380,106	156,700
Office Furniture	836,276	58,015	-	-	894,291	439,302	45,415	-	484,717	409,574
Trailers	406,922	7,320	-	-	414,242	266,926	16,269	-	283,195	131,047
Tractors	1,456,524	-	-	(20,000)	1,436,524	264,596	99,495	(19,199)	344,892	1,091,632
Toolbox	332,788	27,526	-	-	360,314	140,609	23,450	-	164,059	196,255
Gym Equipment	116,803	-	-	-	116,803	66,691	4,472	-	71,363	45,440
Generators	187,130	-	-	-	187,130	51,446	8,277	-	59,723	127,407
Radio Equipment	225,527	24,284	-	-	249,811	127,747	16,493	-	144,240	105,571
	417,729,838	18,644,520	12,539,917	(2,743,920)	446,170,355	55,027,515	13,595,736	(2,722,077)	65,901,174	380,269,181

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance R	Additions R	Transfers/WIP R	Disposals/ Impairments R	Closing Balance R	Opening Balance R	Depreciation Charge R	Disposals/ Impairments/ Transfers R	Closing Balance R	R
30 June 2013										
Land and Buildings	50,855,039	-	-	(198,150)	50,656,889	777,115	174,956	-	952,071	49,704,818
Land	35,343,105	-	-	(198,150)	35,144,955	-	-	-	-	35,144,955
Buildings	15,511,934	-	-	-	15,511,934	777,115	174,956	-	952,071	14,559,863
Infrastructure	276,574,688	51,876,710	-	-	328,451,398	33,245,926	10,368,733	-	43,614,659	284,836,739
Stormwater Network	34,914,816	3,723,422	-	-	38,638,238	5,348,275	1,489,337	-	6,837,612	31,800,626
Road Network	82,266,508	31,472,170	-	-	113,738,678	12,399,788	3,234,270	-	15,634,058	98,104,620
Sanatation Network	51,404,217	556,317	-	-	51,960,534	3,424,368	1,653,408	-	5,077,776	46,882,759
Electricity Network	53,371,181	12,822,230	-	-	66,193,411	3,596,855	1,765,867	-	5,362,722	60,830,689
Water Network	53,899,743	2,928,679	-	-	56,828,422	8,241,697	2,170,762	-	10,412,459	48,215,963
Refuse Network	918,223	373,892	-	-	1,292,115	234,944	55,089	-	290,033	1,002,082
Community Assets	20,315,890	209,823	(3,160,000)	-	17,365,713	1,095,408	493,774	(189,356)	1,399,826	15,965,886
Taxi Rank	252,000	-	-	-	252,000	12,607	2,494	-	15,101	236,899
Museum	3,160,000	-	(3,160,000)	-	-	158,086	31,270	(189,356)	-	-
Cemeteries	17,200	-	-	-	17,200	860	170	-	1,030	16,170
Community centrums	9,686,383	-	-	-	9,686,383	553,326	295,967	-	849,293	8,837,090
Recreation sites	6,642,829	209,823	-	-	6,852,652	342,441	157,778	-	500,217	6,352,435
Libreries	557,477	-	-	-	557,477	28,088	6,097	-	34,185	523,292
Lease Assets	4,652,316	1,883,024	-	(2,078,300)	4,457,040	3,079,020	1,000,232	(2,078,300)	2,000,952	2,456,088
Office Equipment (Lease)	339,187	286,963	-	-	626,150	142,325	108,165	-	250,490	377,660
Vehicles (Lease)	4,313,129	1,594,061	-	(2,078,300)	3,826,890	2,936,695	892,067	(2,078,300)	1,750,462	2,078,428
Other Assets	16,578,118	226,843	-	(6,163)	16,798,798	6,299,068	765,783	(4,844)	7,060,007	9,738,791
Computer herdware	2,260,103	107,439	-	(5,000)	2,362,542	1,067,401	162,889	(3,729)	1,228,561	1,135,981
Air conditioners	559,368	-	-	-	559,368	297,963	34,122	-	332,085	227,283
Chairs	282,002	2,152	-	-	284,164	180,147	11,549	-	191,696	92,488
Concrete Mixer	11,938	-	-	-	11,938	8,652	365	-	9,017	2,921
Desks & Tables	319,287	2,886	-	-	322,173	188,784	13,954	-	202,738	119,435
Compactors	30,731	-	-	-	30,731	22,803	971	-	23,774	6,957
Compressors	218,751	-	-	-	218,751	33,912	10,843	-	44,755	173,996
Tools	764,167	33,892	-	-	798,059	316,511	48,975	-	365,486	432,573
Electronic Equipment	650,818	40,349	-	(1,163)	690,004	339,341	34,689	(1,115)	372,915	317,089
Fire Brigade Equipment	138,990	-	-	-	138,990	16,506	6,924	-	23,430	115,560
Lawn Equipment	290,475	-	-	-	290,475	171,325	12,648	-	183,973	106,502
Trucks/LDV	6,438,972	-	-	-	6,438,972	1,980,981	201,025	-	2,182,006	4,256,966
Motor Vehicles	532,836	-	-	-	532,836	154,065	17,174	-	171,239	361,597
Office Equipment	547,396	10,429	-	-	557,825	345,646	27,169	-	372,815	185,010
Office Furniture	818,990	17,286	-	-	836,276	392,517	46,765	-	439,302	396,974
Trailers	406,922	-	-	-	406,922	248,255	18,671	-	266,926	139,996
Tracktors	1,456,524	-	-	-	1,456,524	202,383	62,213	-	264,596	1,191,928
Toolbox	332,788	-	-	-	332,788	113,761	26,848	-	140,609	192,179
Gym Equipment	116,803	-	-	-	116,803	61,905	4,986	-	66,891	49,912
Generators	187,130	-	-	-	187,130	42,568	8,878	-	51,446	135,684
Radio Equipment	213,127	12,400	-	-	225,527	113,642	14,105	-	127,747	97,780
	368,976,051	54,196,400	(3,160,000)	(2,282,613)	417,729,838	44,496,537	12,803,478	(2,272,500)	55,027,515	362,702,323

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2014 R	2013 R
Carrying value of assets retired from active use and held for disposal:		
Cost	-	-
Land and Buildings	-	-
Accumulated depreciation	-	-
Land and Buildings	-	-
Carrying value	-	-

Impairment of property plant and equipment

Impairment charges on Property, plant and equipment recognised in statement of financial performance

Lease Assets	-	-
Other	-	-
	-	-

The effect of a change in accounting estimate will have on the current period and subsequent periods:

	2014 R	2015 R	2016 R
Effect on Property, plant and equipment	330,745	330,745	276,730

Assessment of impairment of assets was performed on other assets.

Details of property plant and equipment carried at fair value

No property, plant and equipment are carried at fair value.

13 INVESTMENT PROPERTY	2014 R	2013 R
Net Carrying amount at 1 July	9,690,469	9,969,740
Cost	11,609,924	11,609,924
Accumulated Depreciation	(1,919,455)	(1,640,184)
Depreciation for the year	(279,272)	(279,271)
Net Carrying amount at 30 June	9,411,197	9,690,469
Cost	11,609,924	11,609,924
Accumulated Depreciation	(2,198,727)	(1,919,455)
Revenue derived from the rental of investment property:		
Sanlam Building	191,374	192,446
Operating expenditure incurred on properties generating revenue	25,642	10,539

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The cost model in terms of GRAP 16 is being applied on Investment Property.

Cost at implementation of GRAP 16 and fair value was determined by valuation roll of 1 July 2009.

14 INTANGIBLE ASSETS

	2014 R	2013 R
Computer System & Software		
Net Carrying amount at 1 July	**334,581**	**433,721**
Cost	1,049,204	1,041,845
Accumulated Amortisation	(714,623)	(608,124)
Acquisitions	24,809	7,359
Amortisation for the year	(90,620)	(106,499)
Net Carrying amount at 30 June	**268,770**	**334,581**
Cost	1,074,013	1,049,204
Accumulated Amortisation	(805,243)	(714,623)

The following material intangible assets are included in the carrying value above

Description	Remaining Amortisation Period	Carrying Value 2014 R	Carrying Value 2013 R
Sebata System	3	238,943	318,737

No intangible asset were assessed as having an indefinite useful life.
There are no intangible assets whose title is restricted.
There are no intangible assets pledged as security for liabilities

15 CAPITALISED RESTORATION COST

	Notes	2014 R	2013 R
Net Carrying amount at 1 July		**1,744,746**	**1,827,758**
Cost		2,565,251	2,473,403
Balance previously reported			2,505,396
Correction of Error	38.06		(2,505,396)
Correction of Error	38.06		2,473,403
Accumulated Depreciation		(721,672)	(558,028)
Balance previously reported			(1,088,885)
Correction of Error	38.06		1,088,885
Correction of Error	38.06		(558,028)
Accumulated Impairments		(98,833)	(87,617)
Balance previously reported			(71,295)
Correction of Error	38.06		71,295
Correction of Error	38.06		(87,617)
Additions		87,835	91,848
Balance previously reported			-
Correction of Error	38.06		91,848
Depreciation for the year		(172,950)	(163,644)
Balance previously reported			(77,719)
Correction of Error	38.06		77,719
Correction of Error	38.06		(163,644)
Impairment - Note		4,371	(11,216)
Balance previously reported			(18,356)
Correction of Error	38.06		18,356
Correction of Error	38.06		(11,216)
Net Carrying amount at 30 June		**1,664,002**	**1,744,746**
Cost		2,653,085	2,565,251
Accumulated Depreciation		(894,623)	(721,672)
Accumulated Impairments		(94,461)	(98,833)

		2014 R	2013 R
16	**HERITAGE ASSETS**		
	Net Carrying amount at 1 July	2,970,644	-
	Transfers from Property, Plant and equipment	-	2,970,644
	Net Carrying amount at 30 June	**2,970,644**	2,970,644

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in May 2010. The municipality identified its heritage assets during the current period but did not measure all its heritage assets. The municipality is currently in the process of measuring its heritage assets in terms of GRAP 103 and it is expected that this process will be completed for inclusion in the 2015 financial statements.

17	**LONG-TERM RECEIVABLES**		
	Housing Loans	510,743	554,859
	Receivables with arrangements	4,387,459	3,400,933
	Less: Current portion transferred to Trade and other receivables from exchange transactions	(1,221,615)	(2,334,285)
		3,676,587	1,621,507
	Less: Provision for Debt Impairment	-	-
	Total Long Term Receivables	**3,676,587**	**1,621,507**

ARRANGEMENTS

Municipal account holders can make arrangements with the municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for Impairment.

HOUSING LOANS

The outstanding amount relates to prior years and is still collectable. General public were entitled to housing loans which attract interest at 13,5% per annum and which are repayable over a maximum period of 30 years. These loans are repayable in the year 2026.

18	**INVENTORY**		
	Consumable Stores - Stationery and materials - At cost	2,734,031	3,101,494
	Water – at cost	57,419	64,409
	Total Inventory	**2,791,450**	**3,165,903**
	Consumable stores materials written down due to losses as identified during the annual stores counts.	413	26,064
	Consumable stores materials surplusses identified during the annual stores counts.	4,263	35,078

No Inventory assets were pledged as security for liabilities.

19	**TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Service Receivables		
	Water	4,032,531	2,904,579
	Electricity	6,703,596	5,392,199
	Housing Rentals	96,734	107,275
	Refuse	6,215,193	4,963,549
	Sewerage	8,915,638	6,458,247
	Total Service Receivables	**25,963,692**	**19,825,849**
	Less: Provision for Debt Impairment	(17,443,841)	(13,283,318)
	Net Service Receivables	**8,519,851**	**6,542,531**
	Other Receivables		
	Other Arrears	19,847,609	22,886,315
	Total Other Receivables	**19,847,609**	**22,886,315**
	Less: Provision for Debt Impairment	(15,419,014)	(15,333,831)
	Net Other Receivables	**4,428,595**	**7,552,484**
	Total Net Receivables from Exchange Transactions	**12,948,446**	**14,095,015**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivales on initial recognition is not deemed necessary.

19	TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUE)	2014 R	2013 R
	Ageing of Receivables from Exchange Transactions		
	(Electricity): Ageing		
	Current (0 - 30 days)	4,354,590	3,625,373
	31 - 60 Days	384,762	161,078
	61 - 90 Days	216,579	47,729
	+ 90 Days	1,747,665	1,558,019
	Total	**6,703,596**	**5,392,199**
	(Water): Ageing		
	Current (0 - 30 days)	925,824	954,256
	31 - 60 Days	254,843	178,572
	61 - 90 Days	285,400	136,832
	+ 90 Days	2,566,464	1,634,919
	Total	**4,032,531**	**2,904,579**
	(Refuse): Ageing		
	Current (0 - 30 days)	514,107	458,552
	31 - 60 Days	248,405	185,925
	61 - 90 Days	227,053	171,262
	+ 90 Days	5,225,828	4,147,810
	Total	**6,215,193**	**4,963,549**
	(Sewerage): Ageing		
	Current (0 - 30 days)	955,895	835,803
	31 - 60 Days	365,817	271,585
	61 - 90 Days	330,109	245,584
	+ 90 Days	7,263,817	5,105,275
	Total	**8,915,638**	**6,458,247**
	(Housing Rentals Debtors): Ageing		
	Current (0 - 30 days)	5,819	5,884
	31 - 60 Days	2,615	1,393
	61 - 90 Days	1,960	1,393
	+ 90 Days	86,340	98,825
	Total	**96,734**	**107,275**
	(Other Debtors): Ageing		
	Current (0 - 30 days)	1,093,898	555,590
	31 - 60 Days	630,250	196,836
	61 - 90 Days	326,270	147,306
	+ 90 Days	17,797,191	21,986,583
	Total	**19,847,609**	**22,886,315**

20	OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	2014 R	2013 R
	Service Receivables		
	Taxes - Rates	5,724,720	6,418,938
	Other Receivables	32,882,944	6,761,311
	Total Service Receivables	**38,607,664**	**13,180,249**
	Less: Provision for Debt Impairment	(27,106,862)	(4,300,688)
	Total Net Receivables from Non-Exchange Transactions	**11,500,801**	**8,879,561**
	Ageing of Receivables from Non-Exchange Transactions		
	(Rates): Ageing		
	Current (0 - 30 days)	1,194,606	1,046,177
	31 - 60 Days	328,898	1,465,551
	61 - 90 Days	310,669	164,699
	+ 90 Days	3,890,547	3,742,511
	Total	**5,724,720**	**6,418,938**

20 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUE)	2014 R	2013 R
(Other Receivables): Ageing		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	32,882,944	6,761,311
Total	32,882,944	6,761,311

Summary of Receivables by Customer Classification	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
2014				
Total Receivables	83,092,838	-	1,326,127	84,418,965
Less: Provision for doubtful debts	(59,969,717)	-	-	(59,969,717)
Total Recoverable debtors by customer classification	**23,123,121**	-	1,326,127	24,449,248

Summary of Receivables by Customer Classification	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
2013				
Total Receivables	55,339,378	-	553,035	55,892,413
Less: Provision for doubtful debts	(32,917,837)	-	-	(32,917,837)
Total Recoverable debtors by customer classification	**22,421,541**	-	553,035	22,974,576

Trade and other receivables impaired

2014

	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
Total	(32,862,855)	(27,106,862)	(59,969,717)

2013

	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
Total	(28,617,149)	(4,300,688)	(32,917,837)

Debts on rates are required to be settled after 30 days, interest is charged after this date at prime +1%.
The fair value of trade and other receivables approximates their carrying amounts.

Reconcillation of the Total Provision for Debt Impairment	2014 R	2013 R
Balance at beginning of the year	32,917,840	32,285,048
Contributions to provision	27,426,048	8,000,132
VAT Contributions to provision	521,402	83,450
Additional interest/corrections transferred to/from provision	-8,357,552	11,189
Doubtful debts written off against provision	7,461,979	(7,461,979)
Balance at end of year	59,969,717	32,917,840

In determining the recoverability of a trade receivable, the Municipality considers any change in the credit quality of the trade receivable from the date the credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

			2014 R	2013 R
21	OPERATING LEASE ARRANGEMENTS			
21.1	The Municipality as Lessee			
	Balance on 1 July		-	547
	Operating Lease Liability for the current year		-	(547)
	Balance on 30 June		-	-

Beaufort West Municipality is leasing land from Transnet Limited for periods of 60 months with escalations of 9% per year.

At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year		-	3,600
1 to 5 Years		-	-
More than 5 Years		-	-
Total Operating Lease Arrangements		-	3,600
21.2 The Municipality as Lessor	**Notes**		
Balance on 1 July		11,821	11,535
Operating Lease Asset for the current year		(1,813)	286
Balance Previously Reported			1,108
Correction of error	38.02		(822)
Balance on 30 June		10,008	11,821

Beaufort West Municipality is leasing land to rate payers for periods of 36 to 119 months with escalations of 10% per year.

	2014 R	2013 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	243,900	285,020
1 to 5 Years	326,317	199,460
More than 5 Years	158,386	160,184
Total Operating Lease Arrangements	**728,603**	**644,664**

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land being leased out for a period until 2109

		2014 R	2013 R
22	CASH AND CASH EQUIVALENTS		
	Assets		
	Call Investments Deposits	9,332,328	16,811,803
	Primary Bank Account	-	1,273,546
	Cash Floats	12,070	12,330
	Total Cash and Cash Equivalents - Assets	**9,344,398**	**18,097,679**

	2014 R	2013 R
Liabilities		
Primary Bank Account	(3,754,500)	-
Total Cash and Cash Equivalents - Liabilities	**(3,754,500)**	-

Call Investments Deposits to an amount of R7 287 526 are held to fund the Unspent Conditional Grants (2013: R7 774 144).

Bank overdraft of R5 000 000 exists at ABSA Bank and ABSA Bank also has a fuel overdraft facility of R400 000.

		2014 R	2013 R
22	CASH AND CASH EQUIVALENTS (CONTINUE)		

The municipality has the following bank account:

Current Account

Beaufort West ABSA - Account Number 40 5053 8936 (Primary Account):

Cash book balance at beginning of year	1,273,546	(3,660,114)
Cash book balance at end of year	(3,754,500)	1,273,546
Bank statement balance at beginning of year	2,925,478	575,400
Bank statement balance at end of year	2,151,835	2,925,478

Call Investment Deposits

Call Investment deposits consist out of the following accounts:

Investec	2,743,193	6,374,013
ABSA	2,786,780	7,165,527
Standard Bank	334,603	1,739,356
Nedbank	3,467,757	1,532,927
	9,332,333	16,811,823

23	PROPERTY RATES		
	Actual		
	Rateable Land and Buildings	25,229,135	23,829,866
	Residential, Commercial Property, State	25,229,135	23,829,866
	Less: **Rebates**	(2,436,905)	(2,184,339)
	Total Assessment Rates	**22,792,230**	**21,645,527**

Valuations on 1 July 2013:

	2014 R
Residential	1,081,471,237
Commercial	253,591,100
Governments	72,862,150
Schools	43,501,100
PSI	40,976,097
Non profitable	80,774,570
Exemptions (Municipal)	207,958,061
Agricultural	1,686,056,802
Vacant Erven	55,000
Building Clause	9,429,728
Total Property Valuations	**3,476,675,845**

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013. Rebates were granted on land with buildings used sotely for dwellings purposes as follows: Residential - The first R19 000 on the valuation is exempted.

Rates are levied monthly and payable by the 12th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

24 GOVERNMENT GRANTS AND SUBSIDIES	2014 R	2013 R
Unconditional Grants	35,567,000	32,765,000
Equitable Share - Refer to Note 24.1	35,567,000	32,765,000
Conditional Grants	63,837,531	84,750,185
Municipal Infrastructure Grant	17,732,343	21,008,234
Finance Management Grant	1,549,058	1,322,133
Department of Water Affairs and Forestry	-	185,687
Department of Mineral and Energy	8,737,286	21,195,621
Municipal System Improvement Grant	857,071	800,000
Public Transport Infrastructure Program (PTIP)	13,482	-
Provincial Administration Western Cape (PAWC)	32,839,014	29,673,393
Development Bank of South Africa	-	371,889
Neighbourhood Development Programme (NDP)	230,514	221,979
Donations and Public Contributions	2,502	588,667
Disaster Fund	-	3,912
Job Creation	454,650	511,973
Expended Public Works Program National (EPWP)	1,093,379	1,473,752
Neighbourhood Development Program Capital (NDP)	-	6,291,602
Regional Bulk Infrastructure Grant ; Capital (RBIG)	26,581	722,737
Community Development Workers	301,651	378,606
Total Government Grants and Subsidies	99,404,531	117,515,185
Government Grants and Subsidies - Capital	21,348,285	51,170,025
Government Grants and Subsidies - Operating	78,056,246	86,345,163
	99,404,531	117,515,188
Revenue recognised per vote as required by Section 123 (c) of the MFMA		
Executive & Council	22,192,164	34,204,774
Budget & Treasury	4,846,728	1,604,358
Planning & Development	290,514	232,044
Community & Social Services	3,875,040	3,819,179
Housing	28,790,936	15,239,051
Sport & Recreation	844,212	209,823
Waste Management	888,057	1,022,326
Waste Water Management	6,388,541	7,279,641
Road Transport	7,540,295	27,694,309
Water	9,088,167	4,201,779
Electricity	15,059,877	22,007,901
	99,404,531	117,515,185

The municipality does not expect any significant changes to the level of grants.

24.1 Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned

See Appendix D & note 9 for a reconciliation of all grants.

25 SERVICE CHARGES		
Electricity	56,620,589	51,717,984
Service Charges - Electricity	59,505,650	54,382,735
Less: Rebates	(2,885,061)	(2,664,751)
Water	12,149,823	11,493,073
Service Charges - Water	19,048,372	18,676,995
Less: Rebates	(6,898,549)	(7,183,922)
Refuse removal	5,598,121	5,205,292
Service Charges - Refuse	6,307,318	5,714,134
Less: Rebates	(709,197)	(508,842)
Sewerage and Sanitation Charges	10,730,841	9,886,067
Service Charges - Sewerage	12,889,262	11,718,247
Less: Rebates	(2,158,421)	(1,832,180)
Other Service Charges	-	-
Total Service Charges	85,099,374	78,302,416

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

26 OTHER REVENUE	2014 R	2013 R
Insurance excess revenue	141,022	174,390
VAT portion of Grants that the Municipality may recognized as own income	3,848,605	2,676,617
Selling of burial sites	168,432	167,439
Subsidies	23,377	51,621
Fees: swimming pool	82,209	143,155
Commission on insurances	93,091	82,762
Re-connections	61,309	57,870
Building plans	95,591	67,516
Sale of land	199,338	20,798
Reversal: Impairment	4,371	-
Other income represents sundry income such as administration income, sale of sand and photocopies.	428,698	393,670
Total Other Income	**5,146,043**	**3,835,838**

27 EMPLOYEE RELATED COSTS		
Standby Allowances	1,176,001	773,927
Housing Subsidy	246,105	252,182
Bonus	4,003,276	3,214,232
Essential Users	1,163,148	867,612
Overtime	3,268,436	2,319,076
Long Service Awards	12,000	12,000
Salaries	43,460,190	38,948,667
Acting Allowance	2,189,981	1,144,989
Uniform Allowance	57,120	43,227
Leave Reserve Fund	540,012	1,100,925
Transport Allowance	404,675	472,192
Group Insurance	54,618	57,246
Medical Aid Contribution	1,177,668	1,120,023
Provident Fund SAMWU	623,397	630,923
Pension Fund Contribution	8,003,084	8,019,042
Occupational Health/Safety	61,555	101,591
Unemployment Fund	415,081	361,405
Long Service Bonus	264,427	354,221
Post Retirement Medical	783,017	815,290
Total Employee Related Costs	**65,903,771**	**60,606,770**

KEY MANAGEMENT PERSONNEL

Director Community Services, Municipal Manager are appointed on a 5-year fixed contracts and the Director Finance and Director Corporate Services were vacant at 30 June 2014. There are no post-employment or termination benefits payable to them at the end of the contract period.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager: J Booysen		
Annual Remuneration	818,150	773,369
Performance Bonuses	-	102,221
Car Allowance	120,000	119,850
Contributions, Medical and Pension Funds	89,857	115,593
Total	**1,028,007**	**1,111,033**
Remuneration of the Director Financial Services: D Louw (Till 31 August 2012)		
Annual Remuneration	-	91,582
Performance Bonuses	-	59,474
Car Allowance	-	17,771
Contributions, Medical and Pension Funds	-	57,909
Total	**-**	**226,736**
Remuneration of the Director Electrical Services: RE van Staden		
Annual Remuneration	553,908	568,099
Performance Bonuses	-	70,597
Car Allowance	72,000	72,000
Contributions, Medical and Pension Funds	143,962	205,838
Total	**769,870**	**916,535**
Remuneration of the Director Community Services: AC Makendlana		
Annual Remuneration	661,200	693,926
Performance Bonuses	-	59,474
Car Allowance	60,000	60,000
Contributions, Medical and Pension Funds	362,923	59,382
Total	**1,084,123**	**872,781**

27 EMPLOYEE RELATED COSTS (CONTINUE)	2014 R	2013 R
Remuneration of the Director Engineering Services: JCL Smit		
Annual Remuneration	595,401	559,473
Performance Bonuses	-	75,367
Car Allowance	72,000	72,000
Contributions, Medical and Pension Funds	117,961	100,037
Total	**785,362**	**806,877**
Remuneration of the Director Corporate Services: NE Mfundisi		
Annual Remuneration	152,405	436,755
Performance Bonuses	-	44,544
Car Allowance	24,000	71,892
Contributions, Medical and Pension Funds	82,829	98,650
Total	**259,234**	**651,842**

28 REMUNERATION OF COUNCILLORS		
Remuneration of Councillor: H.T. Prince		
Annual Remuneration	382,012	386,452
Telephone Allowance	21,868	20,524
Travelling	156,670	133,834
Pension	56,421	55,604
Medical	37,850	24,022
Total	**656,821**	**620,437**
Remuneration of Councillor: S.M. Motsoane		
Annual Remuneration	332,519	312,997
Telephone Allowance	21,868	20,624
Travelling	126,936	119,983
Pension	48,291	46,950
Medical	-	-
Total	**529,614**	**500,554**
Remuneration of Councillor: G.P. Adolph		
Annual Remuneration	357,009	337,451
Telephone Allowance	21,802	20,624
Travelling	119,003	112,484
Pension	-	-
Medical	-	-
Total	**497,814**	**470,559**
Remuneration of Councillor: J. Bostander		
Annual Remuneration	124,696	108,032
Telephone Allowance	22,403	13,204
Travelling	47,601	44,994
Pension	18,109	17,607
Medical	-	-
Total	**212,809**	**183,836**
Remuneration of Councillor: M. Furmen		
Annual Remuneration	190,405	179,974
Telephone Allowance	22,403	13,204
Travelling	-	-
Pension	-	-
Medical	-	-
Total	**212,808**	**193,178**
Remuneration of Councillor: G. De Vos		
Annual Remuneration	142,804	134,980
Telephone Allowance	22,403	13,204
Travelling	47,601	44,994
Pension	-	-
Medical	-	-
Total	**212,808**	**193,178**
Remuneration of Councillor: P.A. Jacobs		
Annual Remuneration	55,584	312,999
Telephone Allowance	3,559	20,524
Travelling	21,156	119,983
Pension	7,884	46,953
Medical	-	-
Total	**88,183**	**500,459**

27 EMPLOYEE RELATED COSTS (CONTINUE)	2014 R	2013 R
Remuneration of Councillor: A.M. Slabbert		
Annual Remuneration	142,804	136,003
Telephone Allowance	22,403	13,296
Travelling	47,601	45,335
Pension	-	-
Medical	-	-
Total	**212,808**	**194,634**
Remuneration of Councillor: D.E. Welgemoed		
Annual Remuneration	124,695	118,663
Telephone Allowance	22,403	13,296
Travelling	47,601	45,335
Pension	18,109	17,340
Medical	-	-
Total	**212,808**	**194,634**
Remuneration of Councillor: A.D. Willemse		
Annual Remuneration	142,804	136,003
Telephone Allowance	22,403	13,296
Travelling	47,601	45,335
Pension	-	-
Medical	-	-
Total	**212,808**	**194,634**
Remuneration of Councillor: G.T. Murray		
Annual Remuneration	190,405	181,338
Telephone Allowance	22,403	13,296
Travelling	-	-
Pension	-	-
Medical	-	-
Total	**212,808**	**194,634**
Remuneration of Councillor: R. vd Linde		
Annual Remuneration	142,804	136,003
Telephone Allowance	22,403	13,296
Travelling	47,601	45,335
Pension	-	-
Medical	-	-
Total	**212,808**	**194,634**
Remuneration of Councillor: L. Deyce		
Annual Remuneration	166,260	152,389
Telephone Allowance	22,403	13,204
Travelling	-	23,475
Pension	24,145	-
Medical	-	-
Total	**212,808**	**189,067**
Remuneration of Councillor: E.A.J. Beyers		
Annual Remuneration	153,828	-
Telephone Allowance	2,949	-
Travelling	-	-
Pension	20,203	-
Medical	-	-
Total	**176,980**	-

		2014	2013
27	EMPLOYEE RELATED COSTS (CONTINUE)	R	R
	Total Remuneration of Councillors		
	Annual Remuneration	2,648,627	2,633,284
	Telephone Allowance	273,672	201,592
	Travelling	711,371	781,086
	Pension	193,163	184,453
	Medical	37,850	24,022
	Total	**3,864,683**	**3,824,437**
	Executive Mayor	382,012	389,863
	Deputy Executive Mayor	52,562	315,728
	Speaker	332,519	315,726
	Mayoral Committee Members	357,009	340,009
	Councillors	1,509,166	1,333,670
	Councillors' pension contribution	193,163	207,928
	Councillors' medical aid	61,481	49,944
	Councillors' car allowance	711,371	770,972
	Telephone Allowance	265,400	100,597
	Total Councillors' Remuneration	**3,864,683**	**3,824,437**
	In-kind Benefits		
	The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has the use of a Council owned vehicle for official duties.		
29	**DEBT IMPAIRMENT**		
	Trade Receivables from exchange transactions - Note 19	21,024,029	6,954,921
	Trade Receivables from non-exchange trensactions - Note 19	6,402,019	1,045,211
	Total Contribution to Impairment Provision	**27,426,048**	**8,000,132**
30	**Depreciation and Amortisation**		
	Depreciation PPE	13,595,736	12,803,478
	Depreciation Investment Properties	279,272	279,271
	Depreciation Capitalised Restoration Cost	172,950	163,644
	Amortisation	90,620	106,499
	Total depreciation and amortisation expenditure	**14,138,579**	**13,352,892**
31	**IMPAIRMENTS**		
	Cepitelised Restoration Cost	-	11,216
	Total Impairments	**-**	**11,216**
32	**REPAIRS AND MAINTENANCE**		
	Repairs and maintenance expenditure per vote		
	Executive & Council	3,631	255
	Budget & Treasury	341,005	103,196
	Corporate Services	1,022,096	588,379
	Planning & Development	130,653	137,989
	Community & Social Services	497,731	364,494
	Housing	267,569	88,492
	Public Safety	571,849	855,009
	Sport & Recreation	1,678,024	1,150,604
	Waste Management	2,075,144	1,239,416
	Waste Water Management	454,553	481,835
	Road Transport	3,245,687	2,766,607
	Water	2,436,173	2,015,066
	Electricity	4,981,553	1,450,224
	Total repairs and maintenance expenditure	**17,705,648**	**11,241,566**
33	**FINANCE CHARGES**		
	Long-term Liabilities	1,785,723	1,899,271
	Finance leases	325,383	294,960
	Post Retirement Charges	1,939,570	1,864,999
	Overdraft Facilities	36,050	72,859
	Total finance charges	**4,086,726**	**4,132,089**

		2014	2013
34	BULK PURCHASES	R	R
	Electricity	41,728,480	38,594,501
	Water	4,791,264	4,567,168
	Total Bulk Purchases	46,519,744	43,161,669
	Stock Adjustments	(7,232,966)	(6,646,662)
	Total Bulk Purchases excluding Stock Adjustments	39,286,778	36,515,007
35	GRANTS AND SUBSIDIES		
	Donations	60,000	39,859
	Total Grants and Subsidies	60,000	39,859
36	OPERATING GRANT EXPENDITURE		
	Operating grant expenditure per vote		
	Executive & Council	1,602,208	1,519,644
	Budget & Treasury	2,112,130	1,870,403
	Planning & Development	99,251	43,836
	Community & Social Services	498,099	486,096
	Housing	28,573,434	14,771,058
	Waste Management	808,487	648,434
	Road Transport	848,715	626,152
	Water	-	79,972
	Electricity	2,809,243	9,312,609
	Total Operating grant expenditure	37,351,567	29,358,204
37	GENERAL EXPENSES		
	Advertisement Costs	235,450	299,498
	Banking Charges	593,170	548,572
	Bursaries	363,773	238,065
	Community Development Workers	306,859	378,606
	Organisations	1,042,140	964,818
	Insurance	1,010,157	755,912
	Asset Management Plan	28,906	163,326
	Licences/ Agreements	1,242,469	1,156,575
	Printing & Stationary	842,767	700,690
	Subsistence & Travel	1,185,207	796,937
	Audit fees	1,811,077	1,842,595
	Telephone Costs	1,429,882	1,485,381
	Training Costs	139,987	83,771
	Water service development program	110,484	245,520
	Ward Committee	579,038	353,358
	Transfer existing housing	3,876	366,421
	Vehicle Cost	73,827	486,328
	Postage	509,394	483,405
	Digging of graves	211,671	195,350
	Job Creation	520,154	466,688
	Legal expenses	465,028	265,945
	Rental Fees	223,569	208,735
	Customer Care	-	491,337
	Deeds Registrations	10,551	13,040
	Mayoral Golf Toummnt	50,278	83,417
	Public Functions	57,242	69,357
	Publicity	11,235	10,286
	Tracking Device	197,481	346,076
	Defecit Rental Mun. Dwelling	27,036	24,594
	Licences Vehicles	134,256	116,565
	Consulting Fees	702,655	434,988
	Workmans Compensation	-	634,320
	Memorial Services	100,000	-
	Collection Charges	235,932	96,646
	SCOA Implementation	200,871	-
	Refuse Bins	131,200	160
	Other expenditure	1,018,877	1,004,752
	General Expenses	15,806,499	15,610,034

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees and auditing fees.

		Notes	2013 R
38	CORRECTION OF ERROR IN TERMS OF GRAP 3		
38.01	**Changes to Statement of Financial Performance**		
	Balance previously reported		44,958,675
	Correction of "Tender Deposits" control account to income vote "Tender Documents" for 2012-2013	38.03	20,161
	Correction of "Traffic Fines" control account to income vote "Traffic Fines" for 2012-2013	38.03	(1,100,565)
	Correction of "ID Kaart" control account to income vote "Licences and Permits" for 2012-2013	38.03	147,059
	Correct category allocation of bulk purchases to stock adjustments	38.01	6,646,662
	Correct category allocation of stock adjustments from bulk purchases	38.01	(6,646,662)
	Correct category allocation of remuneration of councillors to general expenditure (telephone)	38.01	278,143
	Correct category allocation of general expenditure from remuneration of councillors (telephone)	38.01	(278,143)
	Operating leases not recorded during the 2012/13 financial year - corrected against "Rental income"	38.02	(822)
	Reverse calculation of additional provision/ finance charges during 2012/13	38.05	292,474
	Correction on calculation of provision increase against finance charges during 2012/13	38.05	(227,119)
	Reverse calculation of depreciation during 2012/13	38.06	77,719
	Reverse calculation of impairment during 2012/13	38.06	18,356
	Correction on calculation of depreciation during 2012/13	38.06	(163,644)
	Correction on calculation of impairment during 2012/13	38.06	(11,216)
	Total		**44,011,078**
38.02	**Operating Lease Arrangements**		
	Balance Previously Reported		12,643
	Operating leases not recorded during the 2012/13 financial year - corrected against "Rental income"	38.01	(822)
	Total		**11,821**
38.03	**Payables From Exchange Transactions**		
	Balance Previously Reported		24,209,887
	Correction of "Tender Deposits" control account to income vote "Tender Documents" for 2012-2013	38.01 & 8	(20,161)
	Correction of "Tender Deposits" control account to Accumulated Surplus for 2001-2012	38.04 & 8	(229,852)
	Correction of "ID Kaart" control account to income vote "Licences and Permits" for 2012-2013	38.01 & 8	(147,059)
	Correction of "Traffic Fines" control account to income vote "Traffic Fines" for 2012-2013	38.01 & 8	1,100,565
	Correction of "Traffic Fines" control account to Accumulated Surplus till 30 June 2013	38.04 & 8	2,679,410
	Correction of Payables from Exchange transactions to Accumulated Surplus for 2009-2010	38.04 & 8	(147,679)
	Total		**27,445,111**
38.04	**Accumulated Surplus/(Deficit)**		
	Balance previously reported		**288,044,335**
	Correction of "Tender Deposits" control account to Accumulated Surplus for 2001-2012	38.03	229,852
	Correction of Payables from Exchange transactions to Accumulated Surplus for 2009-2010	38.03	147,679
	Correction of "Traffic Fines" control account to Accumulated Surplus till 30 June 2013	38.03	(2,679,410)
	Reverse calculation of cost additions (Provision) as at 30 June 2012	38.05	7,064,563
	Correction on calculation of provision contribution against accumulated surplus as at 30 June 2012	38.05	(2,544,669)
	Reverse calculation of accumulated depreciation as at 30 June 2012	38.06	1,088,885
	Reverse calculation of accumulated impairment as at 30 June 2012	38.06	71,295
	Reverse calculation of cost additions as at 30 June 2012	38.06	(2,505,397)
	Correction on calculation of accumulated depreciation as at 30 June 2012	38.06	(558,028)
	Correction on calculation of accumulated impairment as at 30 June 2012	38.06	(87,617)
	Total		**288,271,488**
38.05	**Non-Current Provisions**		
	Balance previously reported		5,480,294
	Reclassification of Provision 2013 to Non-Current Provision 2013		1,876,743
	Reverse calculation of additional provision/ finance charges during 2012/13	38.01	(292,474)
	Reverse calculation of cost additions (Provision) as at 30 June 2012	38.04	(7,064,563)
	Correction on calculation of cost against provision as at 30 June 2012	38.06	2,473,403
	Correction on calculation of cost additions against provision during 2012/13	38.06	91,848
	Correction on calculation of provision contribution against accumulated surplus as at 30 June 2012	38.04	2,544,669
	Correction on calculation of provision increase against finance charges during 2012/13	38.01	227,119
	Total		**5,337,039**
38.06	**Capitalised Restoration Cost**		
	Balance previously reported		1,249,142
	Reverse calculation of accumulated depreciation as at 30 June 2012	38.04	1,088,885
	Reverse calculation of accumulated impairment as at 30 June 2012	38.04	71,295
	Reverse calculation of cost additions as at 30 June 2012	38.04	(2,505,397)
	Reverse calculation of depreciation during 2012/13	38.01	77,719
	Reverse calculation of impairment during 2012/13	38.01	18,356
	Correction on calculation of accumulated depreciation as at 30 June 2012	38.04	(558,028)
	Correction on calculation of depreciation during 2012/13	38.01	(163,644)
	Correction on calculation of accumulated impairment as at 30 June 2012	38.04	(87,617)
	Correction on calculation of impairment during 2012/13	38.01	(11,216)
	Correction on calculation of cost against provision as at 30 June 2012	38.05	2,473,403
	Correction on calculation of cost additions against provision during 2012/13	38.05	91,848

Total	1,744,746

		2014	2013
39	RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS	R	R
	Surplus for the year	9,884,426	44,011,078
	Adjustments for:		
	Depreciation	14,047,958	13,246,392
	Amortisation of Intangible Assets	90,620	106,499
	(Gain)/Loss on disposal of property, plant and equipment	21,844	85,728
	Contributed PPE	(362,938)	(61,092)
	Impairments	(4,371)	11,216
	Contribution from/to employee benefits - non-current	(1,010,331)	(1,157,994)
	Contribution from/to employee benefits - non-current - expenditure incurred	2,988,173	3,035,820
	Contribution from/to employee benefits - non-current - actuarial losses	1,676,642	(3,190,937)
	Contribution from/to provisions - non-current	339,114	318,967
	Contribution to employee benefits – current	4,864,485	4,314,917
	Contribution to employee benefits – current - expenditure incurred	(4,426,439)	(3,813,803)
	Contribution to provisions – Debt Impairment	27,426,048	8,000,132
	Impairment written off	7,461,979	(7,461,979)
	(Increase)/Decrease in Capitalised Restoration Cost	(87,835)	(91,848)
	Additional debt Impairment transactions	(8,357,552)	11,189
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(625,670)	(5,445,813)
	Increase/(Decrease) in Unspent Conditional Public Contributions and Receipts	139,052	(376,303)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	302,192	(875,526)
	Operating lease income accrued	1,813	(286)
	Operating lease expenses accrued	-	(547)
	Operating Surplus/(Deficit) before changes in working capital	54,369,210	50,665,810
	Changes in working capital	(34,542,402)	12,629,540
	Increase/(Decrease) in Trade and Other Payables	(6,296,334)	3,014,892
	Increase/(Decrease) in Taxes	(72,958)	2,037,031
	(Increase)/Decrease in Inventory	374,453	(85,410)
	Increase/(Decrease) in Consumer Deposits	(21,011)	100,147
	(Increase)/Decrease in Trade Receivables from exchange transactions	(3,099,137)	(258,321)
	(Increase)/Decrease in Other Receivables from non-exchange transactions	(25,427,415)	7,821,202
	Cash generated/(absorbed) by operations	**19,826,808**	**63,295,350**
40	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Call Investments Deposits - Note 22	9,332,328	16,811,803
	Cash Floats - Note 22	12,070	12,330
	Bank - Note 22	-	1,273,546
	Bank overdraft - Note 22	(3,754,500)	-
	Total cash and cash equivalents	**5,589,898**	**18,097,679**
41	**RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**		
	Cash and Cash Equivalents - Note 40	5,589,898	18,097,679
		5,589,898	18,097,679
	Less:	6,771,063	7,397,010
	Unspent Committed Conditional Grants - Note 9	7,148,474	7,774,144
	Unspent Public Contribution - Note 10	139,052	-
	Unpaid Committed Conditional Grants - Note 9	(670,378)	(972,570)
	Staff Leave - Note 7	4,016,026	3,909,245
	VAT - Note 11	(4,059,598)	(3,465,238)
	Cash Portion of Housing Development Fund - Note 2	197,487	151,429
	Net cash resources available for internal distribution	(1,181,165)	10,700,669
	Allocated to:		
	Capital Replacement Reserve	4,849,606	4,546,564
	Resources available for working capital requirements	(6,030,771)	6,154,105

42 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term Liabilities - Note 3	18,078,846	17,512,075
Used to finance property, plant and equipment - at cost	(18,078,846)	(17,512,075)
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Annuity loans at amortised cost is calculated at 6,75%-14,00% interest rate, with last maturity date of 31 December 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured

43 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

	2014 R	2013 R
43.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	-	15,898,544
Unauthorised operating expenditure current year	30,626,830	9,396,141
Unauthorised capital expenditure current year	4,215,233	13,453,942
Approved by Council or condoned	-	(38,748,627)
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	34,842,063	-

Incident	Disciplinary steps/criminal proceedings
Actual vs Budgeted spending	*None*

Unauthorised expenditure current year - operating	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 R (Unauthorised)
Executive & Council	16,769,412	13,936,025	2,833,387	2,833,387
Budget & Treasury	14,299,203	16,965,051	(2,665,848)	-
Corporate Services	12,704,222	11,231,303	1,472,919	1,472,919
Planning & Development	4,299,688	4,482,828	(183,140)	-
Health	-		-	-
Community & Social Services	7,319,642	7,952,416	(632,774)	-
Housing	29,740,897	27,643,467	2,097,430	2,097,430
Public Safety	37,854,451	14,340,355	23,514,096	23,514,096
Sport & Recreation	7,099,273	6,854,420	244,853	244,853
Environmental Protection	-		-	-
Waste Management	10,410,973	9,946,828	464,145	464,145
Waste Water Management	5,045,194	5,244,743	(199,549)	-
Road Transport	16,088,711	17,047,780	(959,069)	-
Water	18,443,635	19,449,823	(1,006,188)	-
Electricity	64,108,416	68,783,214	(4,674,798)	-
	244,183,717	223,878,253	20,305,464	30,626,830

Unauthorised expenditure current year - capital	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 R (Unauthorised)
Executive & Council	16,328	-	16,328	16,328
Budget & Treasury	125,437	59,060	66,377	66,377
Corporate Services	328,129	223,500	104,629	104,629
Planning & Development	2,101	-	2,101	2,101
Health	-	-	-	-
Community & Social Services	479,584	175,425	304,159	304,159
Housing	-	358,100	(358,100)	-
Public Safety	635,162	110,600	524,562	524,562
Sport & Recreation	883,176	1,088,174	(204,998)	-
Environmental Protection	-	-	-	-
Waste Management	1,780,136	660,000	1,120,136	1,120,136
Waste Water Management	5,611,709	6,477,310	(865,601)	-
Road Transport	6,689,731	9,298,135	(2,608,404)	-
Water	5,433,445	3,356,502	2,076,943	2,076,943
Electricity	9,199,500	12,768,406	(3,568,906)	-
	31,184,436	34,575,212	(3,390,776)	4,215,233

43.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-

Incident	Disciplinary steps/criminal proceedings
None	*None*

43.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	-	16,264
Irregular expenditure current year	-	-
Condonement supported by Council	-	(16,264)
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting condonement	-	-
Irregular expenditure awaiting condonement from National Treasury	-	16,264

Incident	Disciplinary steps/criminal proceedings
2012 - Suppliers identified as having members/ directors/owners who are in the service of the state with no evidence of this disclosed to the municipality. R6 170	*None*
2012 - Awards made to close family members of persons in the service of the state. (declaration has been signed) R10 094	*None*

43.4 Material Losses

Electricity distribution losses		
Units purchased (Kwh)	56,524,586	56,991,818
- Units lost during distribution (Kwh)	6,488,858	6,519,179
- Percentage lost during distribution	11.48%	11.44%
Water distribution losses		
Kilolitres purified	2,603,153	2,644,718
- Kilolitres lost during distribution	1,327,126	1,292,439
- Percentage lost during distribution	50.98%	48.87%

44	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT	2014 R	2013 R
44.1	**Contributions to organised local government - [MFMA 125 (1)(c)] - SALGA CONTRIBUTIONS**		
	Opening balance	-	-
	Council subscriptions	627,076	454,552
	Amount paid - current year	(627,076)	(454,552)
	Balance unpaid (included in creditors)	-	-
44.2	**Audit fees - [MFMA 125 (1)(c)]**		
	Opening balance	-	-
	Current year audit fee	1,811,077	1,642,595
	External Audit - Auditor-General	1,811,077	1,642,595
	Amount paid - current year	(1,811,077)	(1,642,595)
	Balance unpaid (included in creditors)	-	-
44.3	**VAT - [MFMA 125 (1)(c)]**		
	VAT	**(4,059,598)**	**(3,465,238)**
	VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.		
44.4	**PAYE, SDL and UIF - [MFMA 125 (1)(c)]**		
	Opening balance	536,345	-
	Current year payroll deductions and Council Contributions	7,430,456	6,559,328
	Amount paid - current year	(7,965,333)	(6,022,983)
	Balance unpaid (included in creditors)	**1,468**	**536,345**
44.5	**Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]**		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	12,139,114	11,294,805
	Amount paid - current year	(12,139,114)	(11,294,805)
	Balance unpaid (included in creditors)	-	-
44.6	**Councillor's arrear consumer accounts - [MFMA 125 (1)(c)]**		

The following Councillors had arrear accounts for more than 90 days at 30 June 2014 financial year:

	2014 R Outstanding more than 90 days	2013 R Outstanding more than 90 days
Councillor L Deyse (510271/000768)	3	4,839
Councillor G Adolph (021180/032194)	-	3,885
Councillor M Furmen (023379/023380)	884	3,118
Councillor R van der Linde (070128/020003)	250	473
Total Councillor Arrear Consumer Accounts	**1,137**	**12,315**

44.7 **Quotations awarded - Supply Chain Management**

Supply Chain Management Implementation Report for the year ended 30 June 2014 and Supply Chain Management Regulation 45 disclosure:

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1st QUARTER: 01 JULY – 30 SEPTEMBER 2013

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

1. Bids Awarded By The Bid Adjudication Committee

Attached please find as Addendum 1 the report for the period 01 July – 30 September 2013.

2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Karoo Motors Werkswinkel	24/07/2013 27/08/2013	1504137 15041951	R 88 230.30 R 147 715.50	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
Danielle Studiesentrum	08/08/2013	15041667	R62 690.28	❖ Brother Wayne Petersen is currently employed at the Beaufort west Municipality
Karoo Beton werke	28/08/2013	15042001	R5 830.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
Wilma's Catering Services	07/08/2013	15041662	R 3 430.00	❖ Brother currently employed as a Councilor at the Beaufort West Municipality.
PJ Plumbing	22/08/2013	15041811	R27 850.00	❖ Mother Mrs E Botha and sister Mrs B Saaiman are employed with the Department of Education.

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(b) if such goods or services are produced or available from a single provider only;

(d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"

Attached please find a schedule of Deviations and Minor Breaches approved by the Accounting Officer as Addendum 2.

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

ACTING DIRECTOR: FINANCIAL SERVICE

Addendum 1

BIDS AND FORMAL WRITTEN QUOTATIONS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 02/2014	Supply & delivery of assembled information technology hardware	❖ Brilliant Computers ❖ Juvinon Systems t/a ISM ❖ First Technology ❖ Mantella IT support Systems	❖ R 254 649.00 ❖ R 212 438.00 ❖ R 320 886.06 ❖ R 288 186.96	❖ Brilliant Computers ❖ First Technology ❖ Mantella	Quotation was split between bidders for the most competitive prices.
SCM 03/2014	Maintenance of electrical installation as well as Maintenance of electrical wiring: buildings for a 3 year period	❖ TG Elektries	❖ R 70 774.05	❖ TG Elektries	
SCM 05/2014	Supply and delivery of 2 auto motor type ESA 10 4 phase controllers	❖ CS Traffic Engineering & Consulting Services ❖ Automotor Traffic Signal Co	❖ R 54 378.00 ❖ R 52 982.64	❖ Automotor Traffic signal	
SCM 14/2013	Supply and delivery of crushed stone products, G5 material and building sand	❖ Bathopele traders ❖ Volmoed Quarries ❖ Van der Berg Vervoer ❖ Buffelsdrift Clay Mine ❖ Perfecto Builders ❖ Transand ❖ Duneco	❖ Different Prices	❖ Volmoed Quarries ❖ Perfecto Bouers	
SCM 12/2013	Supply and delivery of Chlorine gas, Aluminium sulphate and water purification lime for 3 year period.	❖ Tuschemy CC ❖ Onduka Division of Improchem ❖ Protea Chemicals Cape ❖ Metsi Chem. Ikapa	❖ R53 477.85 ❖ R 76 950.00 ❖ R97 546.61 ❖ R 109 101.40	Protea Chemicals Cape	
SCM 16/2013	Supply and delivery of bitumen products	❖ Bathopele traders ❖ Sandobel 165 ❖ Volmoed Quarries ❖ Buffelsdrift Clay Mine	Different Prices	Tosas Asphalt King	

		❖ Van der berg Vervoer ❖ Tosas ❖ Condoprops t/a Asphalt king			
SCM 17/2013	Construction of a bar counter at the Rustdene Sports Pub	❖ GHF Geldenhuys t/a Mr Fix it	❖ R49 424.00	GHF Geldenhuys t/a Mr Fix it	
SCM 04/2014	Supply, Delivery and Installation of under counter pub fridges for the Rustdene Sports Pub	❖ Air Fit Air Conditioning ❖ Buvhezi Trading 1013	❖ R 37 620.00 (Option 1) ❖ R 38 304.00 (Option 2) ❖ R 394 440.00	Air Fit Air Conditioning	
SCM 05/2014	Supply and Delivery of Two Auto Motor Type ESA 10 Four Phase Controllers	❖ Auto Motor Traffic Signal ❖ C.S Traffic Engineering & Consulting Services	❖ R 52 982.64 ❖ R 54 378.00	Auto Motor Traffic Signal	
SCM 11/2013	Provision of Security services for period of 3 years.	❖ Mavati ❖ Nationwide ❖ African Compass ❖ Mtabati ❖ CT City security ❖ Afri-guard ❖ Makoko ❖ Dee dee	❖ R4 524 780.86 ❖ R45 339.12 ❖ R3 761 125.92 ❖ R85 819.64 ❖ R2 409 840.00 ❖ R3 275 866.80 ❖ R3 347 351.28 ❖ R87 990.40	Afri-guard	

Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	SOLE SUPPLIER	Actebis 268 CC	R 2,040.60	3/7/2013	Sole supplier to handle hazardous waste.
		Gene Louw Traffic College	R 10,921.90	25/07/2013	Only accredited training college in the Western Cape.
		De Jager Kontrakteurs	R 4,240.80	15/07/2013	Only local supplier to quote for calcrete.
		Karoo Vleisboere Kooperasie	R 2,454.29	23/07/2013	Sole supplier of products in Murraysburg
		Elster Kent Metering	R 92,910.11	30/07/2013	Sole Manufacturer of elster meters and strainers
		Spectrum Communications	R 2,372.34	31/07/2013	Repair telemetry system
		Beaufort Alarms	R 3,458.76	31/07/2013	Repair Alarm Sanlam building
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Sebata	R 509,036.22	9/7/2013	Service provider of financial management system
		Total client service	R 9,091.50	3/7/2013	Provides software for traffic services
		TMS Hasler	R 7,816.00	2/7/2013	Service provider for franking machine procured
		Mini Moulders	R 2,699.50	8/7/2013	Beaufort West Marathon - already has emblem
		Essop Multisave	R 3,237.50	23/07/2013	Beaufort West Marathon -supplier for cooldrinks
		Flotron	R 6,498.00	24/07/2013	Renewal of mycity data services
		Mycad	R 2,250.00	16/07/2013	Detail plans of bar counter at Rustdene Sports pub
		Nedbank running club George	R 2,600.00	10/7/2013	Make use of the timing chip system at the Beaufort West Marathon
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 5,763.06	17/07/2013	Adverts SCM 01/2014 Notice 69/13
		Die Courier	R 6,669.00	9/7/2013	Only newspaper circulating in the central karoo
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	George Lawnmowers	R 5,010.30	1/7/2013	Parts only available at agent
		Bwest Precision Engineers	R 17,752.08	12/7/2013	CZ 5726 - Repair engine
			R 2,380.32	17/07/2013	CZ 17798 - Agent for Case tractor-Service engine
			R 12,939.00	17/07/2013	Lister Engine Mville - Service engine
			R 5,323.80	17/07/2013	Recondition Compressor
		Tata Worcester	R 5,235.40	17/07/2013	CZ 16710 - Service, parts available at agents.
		Cape Mowers	R 2,692.32	17/07/2013	Agent - Pto shaft - Roughcutter.
		24/7 Tyres & fitment	R 5,000.00	11/7/2013	CZ 7796 - Towing services from Murraysburg to Beaufort West

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	Brandkraal Boerdery	R 29,925.00	12/8/2013	Closed up landfill site-health risk for community-Warning letter issued by Department of Environment Affairs
		Valsta's Transport	R 36,300.00	28/08/2013	Unblock sewerage lines-health risk to community
(b)	SOLE SUPPLIER	B&B Sweiswerke	R 2,250.00	26/08/2013	Sole supplier that can pull borehole pumps
		Penny Pinchers	R 25,815.15	28/08/2013	Sole supplier of materials in town
		Karoo Vleisboere Kooperasie	R 2,454.29	23/08/2013	Only supplier in Murraysburg that can provide goods
		Teleray	R 9,690.00	26/08/2013	Only supplier that can service TV Tower in Murraysburg
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	TMS Hasler	R 6,400.00	21/08/2013	Service provider for a franking machine procured
		Ignite Advisory Services	R 81,573.84	8/8/2013	Service provider of performance management software
			R 12,431.70	6/8/2013	
		SM Consultants	R 21,300.00	14/08/2013	Service provider for the distribution of traffic summonses
		E & D Catering	R 2,900.00	13/08/2013	Women's day function - deliver dessert & cutlery
		Skuza Caterers	R 2,500.00	23/08/2013	Catering for Madiba day for 150 people in Murraysburg
		Proudly Karoo	R 3,600.00	8/8/2013	Women's day function - supply gifts
		Essops Multisave	R 2,497.71	8/8/2013	Supplied refreshments for women's day function
		Nyala Communications	R 3,499.00	6/8/2013	The only service provider for internet services
		Centracell	R 9,186.04	6/8/2013	Saving cost on telephone system
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 5,763.06	22/08/2013	SCM 06/2014 Notice no 85/2013: Office automation equipment
		Die Courier	R 17,955.01	2/8/2013	Only newspaper circulating in the central karoo
			R 7,511.18	29/08/2013	
			R 5,174.41	29/08/2013	
			R 6,852.83	2/8/2013	
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Daniela De Kock	R 15,340.00	7/8/2013	Functional capacity evaluations for 16 employees
		Tamryn Olivier	R 15,340.00	2/8/2013	
		Dr Riel Hugo	R 18,062.40	29/08/2013	Assessment of MM position

		Danielle Studiesetrum	R 62,690.28	8/8/2013	Reconcilliations of stores,creditors,asset register & c schedule
		Ignite Advisory Services	R 78,660.00	22/08/2013	Compilation & implementation of a compliance register
(d)(vi)	**ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.**	Jupiter Towing	R 10,668.00	6/8/2013	CZ 4032 - Tow in truck and repair
			R 5,760.00	6/8/2013	CZ 5291 CAT - Remove and refit diff of digger loader
		24/7 Tyres & Fitment	R 5,000.00	21/08/2013	Transport trailer from Murraysburg to Beaufort West
		Dougie's Gearbox Centre	R 25,080.00	29/08/2013	Repair of diff of digger loader-CZ 5291
		George Lawnmowers	R 2,779.70	6/8/2013	Repair grasscutter
		Barloworld Equipment	R 5,079.52	1/8/2013	CZ 5169 TLB - Parts only available at agent
			R 9,331.95	21/08/2013	CZ 5169 - Vehicle is under guarantee & service vehicle
		Bwest Precision Motor engineers	R 31,794.00	8/8/2013	CZ 5401 - Overall engine - sole supplier in bwest
			R 3,874.86	8/8/2013	Tar cutter repair specialized works
			R 32,574.36	22/08/2013	CZ 10084 - sole supplier that can repair vehicle
			R 42,762.54	29/08/2013	CZ 17137 - Faulty engine, sole supplier that can fix engine
			R 39,878.34	29/08/2013	CZ 7775 - Repair engine, sole supplier that can fix engine
		The workshop	R 2,989.00	12/8/2013	CZ 6815 - Repairs done, sole supplier
			R 2,520.00	12/8/2013	CZ 16710-Repairs on vehicle
		Karoo Lugreeling en Verkoeling	R 2,850.00	15/08/2013	Repairs to air conditioner at Kwa-Mandlenkosi office
			R 2,500.00	16/08/2013	Repairs to air conditioner at the Mayor's office
		PG Glass	R 2,500.00	22/08/2013	CZ 4118 - Repair the window
		Ian Dickie	R 4,647.78	21/08/2013	Repair water works pump
			R 4,480.20	21/08/2013	

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	PG Glass	R 2,500.00	11/9/2013	Access payment for insurance claim for replacement of window
(b)	SOLE SUPPLIER		R 8,268.99	5/9/2013	
		Penny Pinchers	R 14,296.21	4/9/2013	Sole supplier of stock in Beaufort west
		Flotron	R 18,438.36	4/9/2013	Sole supplier to do repairs
		Elster Kent Metering	R 223,440.23	3/9/2013	Sole Manufacturer of elster meters & strainers
		Momar	R 13,327.97	16/09/2013	Sole manufacturer of chemicals used to clean electrical cables
		De Jagers Loodgieters	R 2,600.25	20/09/2013	Sole supplier of stock to repair the swimming pool in Nelspoort
		Conchem saligna	R 2,039.41	18/09/2013	Sole supplier of insect killer to fumigate houses
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes		R 43,350.00	9/9/2013	
		SM Consultants	R 54,450.00	19/09/2013	Service provider for the distribution of traffic summonses
		Garden route Mosselbay	R 1,049.00	2/9/2013	MGRO meeting held at Garden route casino & Hotel
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Abraham Kiewitz Attorneys	R 34,200.00	16/09/2013	The council needed a legal opinion
		Ignite Advisory Services	R 35,060.70	9/9/2013	Drafting of annual performance report
		JR Nieuwenhuizen	R 2,337.57	6/9/2013	Only service provider locally for balju services
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Victor se garage	R 6,733.05	9/9/2013	CZ 15569 - Sole supplier in Merweville that can do repairs
		24/7 Tyres & Fitment	R 10,000.00	9/9/2013	CBT 256 - Towing services on trailer from Murraysburg
			R 10,000.00	4/9/2013	CZ 7775 - Towing services on tractor from Beaufort west
		600 CT Manufacturing	R 2,980.87	6/9/2013	CZ 2954 - Outrigger lock assembly
		George Lawnmowers	R 5,554.08	6/9/2013	Repair generator Honda
			R 5,755.04	19/09/2013	Compactor - repair engine
			R 4,959.24	19/09/2013	Tricycle lawnmower - repairs
		Denver	R 17,649.58	16/09/2013	CZ 6542 - Repairs
		Tata Worcester	R 3,017.10	18/09/2013	CZ 16710 - Murraysburg- Clutch kit parts available at agents
		Purple rose distributors	R 4,060.52	18/09/2013	Groot Bomag 90 - Service kits
			R 8,491.85	18/09/2013	Klein bomag 65 - Service kits

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 2nd QUARTER: 01 OCTOBER – 31 DECEMBER 2013

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

1. Bids Awarded By The Bid Adjudication Committee

Attached please find as Addendum 1 the report for the period 01 October – 31 December 2013.

2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Karoo Motors Werkswinkel	29/10/2013 01/10/2013 02/12/2013	15043274 15042776 15044198	R 13 1402.10 R 10 9204.38 R 69 260.70	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
Van Niekerk Prokureurs	10/10/2013	15042935	R 2 789.51	❖ Husband Mr F Van Niekerk is currently employed at the Department of Education
Karoo Beton werke	29/10/2013 01/10/2013 02/12/2013	15043276 15042782 15044229	R6 130 .00 R10 688.00 R 4 700.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
Sonneblom Bloemiste	18/10/2013 18/11/2013 17/12/2013	15043041 15043788 15044559	R 3 000.00 R 3 500.00 R 7 600.00	❖ Son, Mr H Jack is currently employed at the Beaufort West Municipality on a contract basis.
PJ Sound & Vision	07/11/2013	15043680	R5750.00	❖ Son, Mr PJ Julies is employed as vehicle inspection and traffic officer at Beaufort West Municipality
Chalmers	18/11/2013	15043790	R 3 000.00	❖ Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.
Karoo Drukkery	02/12/2013	15044199	R 3 345.90	❖ Wife, Mrs. S Munro is employed at the Department of Health.
Beaufort West	17/12/2013	15044560	R 37 400.00	❖ Son, Warren Johnson is

Luxury Coaches				employed at the Beaufort West Municipality.
General Shine Catering	17/12/2013	15044558	R 26 000.00	❖ Spouse, Mr. F Diedericks is employed by Department of Community Safety as a traffic officer.

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(b) if such goods or services are produced or available from a single provider only;

(d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"

Attached please find a schedule of Deviations and Minor Breaches approved by the Accounting Officer as Addendum 2.

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

ACTING DIRECTOR: FINANCIAL SERVICE

Addendum 1

BIDS AND FORMAL WRITTEN QUOTATIONS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 01/2014	Supply & installation of mechanical & electrical equipment for the upgrading of the boreholes supplying water to Murraysburg	❖ Hidro-Tech systems ❖ De Jagers Loodgieters Kontrakteurs	❖ R2 776 618.09 ❖ R2 212 152.56	❖ De Jagers Loodgieters Kontrakteurs	❖ The tender amount be adjusted to ensure that its within the available budget of R1 246 155.00 incl VAT
SCM 06/2014	Supply, Delivery, Installation and financing of office automation equipment for 3 years.	❖ Satinsky 171 t/a Ricoh Garden Route ❖ Zestirox ❖ Smart Office Service ❖ Page Automation ❖ Southern Cape Business Systems ❖ Seartec Trading ❖ Konica Minolta	❖ R225 422.80 ❖ R272 670.37 ❖ R309 196.96 ❖ R491 400.00 ❖ R795 386.05 ❖ Different Prices ❖ Different Prices	❖ Ricoh Garden Route ❖ Konica Minolta	
SCM 07/2014	Supply and Delivery of Refuse Bins	❖ Imvusa Business Service ❖ Phambili	❖ R116 850.00 ❖ R135 471.90	❖ Imvusa Business Service	
SCM 10/2014	Supply, Delivery, Installation and Maintenance of tag surveillance system	❖ Bell Oak Investment ❖ CSX Customer Service	❖ R103 922.10 ❖ R130 159.50	❖ Bell Oak Investment	
Tender 60/2011	Transversal Agreement-Mosselbay Municipality-Appointment of Consulting Engineers for Various Projects	❖ Makukhane Consulting Engineers	❖ R 1 200 000.00	❖ Makukhane Consulting Engineers	
SCM 14/2014	Contract for the Upgrading of Ebenezer Street	❖ Trucon ❖ De Jagers Loodgieters ❖ ATN Roadmarking & Civils	❖ R 3 568 729.99 ❖ R 3 801 091.46 ❖ R 4 158 442.34	❖ Trucon	

Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER OCTOBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	Workshop Electronics	R 76,470.80	25/10/2013	Repair brake roller testing machine at the Vehicle testing station
(b)	SOLE SUPPLIER	E Esterhuizen	R 21,090.00	1/10/2013	Only available supplier for the transportation of grader
			R 51,984.00	11/10/2013	Only available supplier that has a grader for hire
		National Computer College	R 5,700.00	21/10/2013	Only local supplier in town that can offer the courses
			R 2,600.00	21/10/2013	
		Karoo Fire	R 2,670.00	15/10/2013	Only locally service provider to service fire extinguishers
		Beaufort Alarms	R 5,181.30	2/10/2013	Install alarm system at Hoenderplaas - Vaalkoppies
		Jirah Construction	R 5,300.00	1/10/2013	Camera survey of pipes
		Karoo vleisboere Kooperasie	R 2,441.32	1/10/2013	Sole supplier in Murraysburg to supply stock
		Wurth	R 7,215.60	25/10/2013	Manufacturer of Wurth products.
		Afrox	R 3,057.01	28/10/2013	Sole manufacturer of the oxygen and acetylene products
		Karoo Betonwerke	R 2,130.00	3/10/2013	Sole local manufacturer of concrete products in Beaufort West
			R 3,150.00	3/10/2013	
			R 6,130.00	3/10/2013	
			R 3,900.00	3/10/2013	
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	B-wes Lugreeling & verkoeling	R 2,280.00	3/10/2013	Repair air conditioners at the Municipal offices in Merweville
			R 3,576.75	28/10/2013	Test and repair air conditioner at Payroll unit.
		Piet chops slaghuis	R 3,690.00	10/10/2013	Catering for youth in local government development
		Sonneblom Bloemiste	R 3,000.00	10/10/2013	Decorate pub for Youth in local government development
		FG Uniforms	R 27,120.26	4/10/2013	Only supplier with available stock on hand
		Charlmers Transport	R 3,740.00	7/10/2013	Available supplier for transportation of people to Oudtshoorn
		Hue-Tone	R 2,673.20	22/10/2013	Only two service providers that could provide quotes for bar codes
		Youngs Halfway House	R 10,200.00	23/10/2013	Mayoral Golf day - bookings for golfers

		TMS Hasler	R 6,400.00	11/10/2013	Service provider for a franking machine procured
		Total Client Service	R 9,091.50	2/10/2013	Provides software for traffic services
(d)(i)	**Any contract relating to the publication of notices and advertisements by the municipality**	Media 24	R 5,763.06	26/10/2013	SCM 14/2014 Notice no 104/2013 Advert Ebenezer Street
			R 5,763.06	26/10/2013	SCm 12/2014 Notice no 103/2013 Advert High mast lights
			R 7,664.58	29/10/2013	SCM 13/2014 Notice no 106/2013 Bulk water supply Nelspoort
			R 5,763.06	30/10/2013	SCM 08/2014 Notice no 107/2013 Housing projects
		Die Courier	R 6,444.43	29/10/2013	
			R 21,113.10	02/10/201	Only newspaper circulating in the Central Karoo
(d)(v)	**The appointment of any person to provide professional services where the value of such appointment is less than R200 000.**	Chris Swartz Engineering	R 19,950.00	21/10/2013	Prepare Beaufort West Municipality for the blue drop assessment
		Lombard en Kriek	R 39,308.06	17/10/2013	SALA – pension fund payments
		Crawfords Attorneys	R 32,490.00	22/10/2013	Legal opinion - councilors remuneration
			R 17,559.42	15/10/2013	SALA - pension fund payments
(d)(vi)	**ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.**	Mega Roller Shutter Doors	R 11,925.00	8/10/2013	Repair roller doors at the Murraysburg Stores
		Beaufort West Toyota	R 2,161.91	15/10/2013	CZ 10707 - Agent to service Avanza
		Beaufort West Lugreeling & verkoeling	R 2,280.00	3/10/2013	Repair air conditioners at the Municipal offices in Merweville
			R 3,576.75	28/10/2013	Test and repair air conditioner at Payroll unit.
		All Access	R 16,368.99	15/10/2013	Collect nifty 120T & transport to Cape Town for repairs
		Beaufort West Precision Motor Engineers	R 9,970.44	25/10/2013	CZ 4574 - Repairs & service & fit new parts of tractor
			R 2,523.96	25/10/2013	Bomag roller - Remove & fit new broken bolts & timing belt
			R 2,040.60	25/10/2013	Bomag roller - Remove & replace diesel pump & injector

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR NOVEMBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	SOLE SUPPLIER	Elster Kent Metering	R 53,352.68	8/11/2013	Sole manufacturer of Elster meters and strainers
		CTS Beaufort -West	R 3,420.00	13/11/2013	Loading & unloading of concrete slabs at the pump stations
		Integrity control systems	R 6,549.30	11/11/2013	Manufacturer of the security seals
		Landis + Gyr	R 36,138.00 R 42,978.00	11/11/2013	Manufacturer of the electricity meters
		Actebis 268 CC	R 7,991.40 R 2,166.00	8/11/2013 8/11/2013	Handle hazardous waste & have a permit to expose of it.
		E Esterhuizen	R 2,600.00	5/11/2013	Only local supplier that can supply red base course
		Karoo Fire	R 2,472.00	15/11/2013	Only service provider locally to supply & service fire extinguishers
		De Jager Loodgieters	R 2,000.00	13/11/2013	Only local supplier that can supply calcrete
		Karoo Vleisboere Koop	R 5,054.05	1/11/2013	Sole supplier in Murraysburg
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Pressure Sealers	R 4,400.00	7/11/2013	Preventative maintenance service & check settings
		PJ Sounds	R 5,750.00	7/11/2013	Mayoral golf day sound, stage & photography
		Best Home & Electric	R 11,697.78	11/11/2013	Mayoral golf day, presents for award ceremony
		Ultra Liquors	R 2,533.85	15/11/2013	Youth in local government function
		Nuweveld Chemist	R 3,217.30	25/11/2013	Only locally service provider to provide the needed goods
		Hoistec Engineering	R 17,498.64	25/11/2013	Safety inspection and load testing equipment locally
		Pentocostal Unity Mission Church	R 7,500.00	13/11/2013	Indigent applications must be renewed every 6 months
		New Fountain Ministries	R 5,500.00	13/11/2013	
		SM Consultants	R 41,850.00 R 46,050.00	20/11/2013 20/11/2013	Service provider for the distribution of traffic summonses
		TMS Hasler	R 6,400.00	25/11/2013	Service provider for franking machine procured
		Nyala Communications	R 3,499.00	5/11/2013	The only service provider for internet services
		Total Client Service	R 9,091.50	4/11/2013	Provides software for traffic services
		Juta & Co	R 3,041.00	5/11/2013	Updated legislation books

(d)(i)	**Any contract relating to the publication of notices and advertisements by the municipality**	Media 24	R 6,845.47	23/11/2013	No nr 110/2013, Registration of Suppliers
(d)(ii)	**any contract with an organ of state, a local authority or a public utility corporation or company**	Department of Transport	R 53,760.00	1/11/2013	Prodiba is a government preferred service provider
(d)(v)	**The appointment of any person to provide professional services where the value of such appointment is less than R200 000.**	Crawfords Attorneys	R 112,446.15	29/11/2013	Local official law practitioner handling the transportations
(d)(vi)	**ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.**	Transtech	R 32,448.00	4/11/2013	CZ 5234 - Sort out problems with hydraulic system
		George Lawnmowers	R 3,735.21	4/11/2013	Parts for lawnmower repairs
			R 3,224.55	4/11/2013	Repairs on tricycle lawnmower
		Flo specialized product solutions	R 8,322.00	5/11/2013	Faulty VEGA 76 power analyzer send for testing & repairs
		Cape Mowers CC	R 2,713.43	26/11/2013	Torro Ruffcutter - Agent-Supply bearings
		Barloworld Equipment	R 6,643.75	4/11/2013	CZ 7713 - Supply new water pump
			R 2,643.07	26/11/2013	
			R 10,903.88	26/11/2013	CZ 5169 - TLB Service and repair faults

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR DECEMBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	Emerency	De Jagers Loodgieters	R 2,190.75	13/12/2013	Supply and repair of valves
(b)	Sole Supplier	W.M Van Der Heever	R 2,850.00	13/12/2013	Only local land surveyor supplier
		Beaufort Alarms	R 20,477.00	2/12/2013	Installation of new alarm system at SAFA buildings
			R 4,230.54		Replacement of alarm system in Murraysburg
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	BKB	R 3,140.70	02/12/2013	Only BKB locally can supply us on account for Ammonium Sulphate and 2.3.2 fertiizer
		October Sky	R 5,476.22	02/12/2013	The only firm that replied to request for quotation for full beehive suite
		Ultra Liquors	R 2,719.80	06/12/2013	Purchase of refreshments for year function on 06 December 2013
		KFC	R 3,059.00	19/12/2013	The only locally supplier that is willing to provide on short notice.
			R 2,224.80		
		Penny Pinchers	R 12,382.60	30/12/2013	The only locally supplier that provide the necessary material
		Forms Media Independent	R 7,860.30	2/12/2013	Specialized printing works for traffic summonses used with TCS software
		Avbob	R 2,480.00	2/12/2013	Financial assistance with pauper burial of disadvantage family
		City Lodge Hotel	R 2,565.40	3/12/2013	Nearest accommodation available to venue
		Beaufort West Luxury Coaches	R 37,400.00	11/12/2013	The only available supplier who could provide service on required time for memorial service of Nelson Mandela
		Total Client Service	R 9,091.50	27/12/2013	Provides software for traffic services
		Centracell	6186.83	10/12/2013	Saving cost on telephone system
		Sonneblom Bloemiste	R 7,600.00	12/12/2013	The only available supplier who could provide service on required time for memorial service of Nelson Mandela
		Essop Multisave	R 28,575.15	11/12/2013	The only supplier, who was willing to assist the Municipality with goods on credit.
			R 4,036.42	11/11/2013	Goods for Mayoral gholf day 9/11/2013.The supplier provide goods on credit
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 27,826.85	30/12/2013	Only newspaper circulating in the Central Karoo

(d)(v)	**The appointment of any person to provide professional services where the value of such appointment is less than R200 000**	Danielle Studie Sentrum	R 25,450.64	4/12/2013	Professional services for the reconciliations of creditors and stores
		S.B Naidoo	R 14,953.60	11/12/2013	Only service provider locally for balju services
		Crawfords Attorneys	R 11,083.50	9/12/2013	Local official law practitioner handling the transportations
(d)(vi)	**ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.**	TFM Transtech	R 6,602.67	10/12/2013	CZ 3484 Repairs -Nissan Compactor- Community service, the supplier is the agent
		The Workshop	R 2,500.00	27/12/2013	Repair of vehicle CZ16710
			R 2,500.00		Repair clutch CZ 7775
		All Access	R 28,991.98	10/12/2013	CZ 4930-Cherry Picker-Specialized repair works

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 3rd QUARTER: 01 JANUARY – 31 MARCH 2014

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

1. Bids Awarded By The Bid Adjudication Committee

Attached please find as Addendum 1 the report for the period 01 January – 31 March 2014.

2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Karoo Motors Werkswinkel	29/01/2014 31/03/2014	15045648 15047342	R 71 497.38 R 95 362.14	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
Karoo Beton werke	30/01/2014 26/02/2014	15045644	R 4 140.00 R 6 156.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
Van Niekerk Prokureurs	03/03/2014	15046606	R 3 088.87	❖ Husband Mr F Van Niekerk is currently employed at the Department of Education
PJ Sound & Vision	26/03/2014	15047122	R 50 000.00	❖ Son, Mr PJ Julies is employed as vehicle inspection and traffic officer at Beaufort West Municipality.
B Chalmers	20/03/2014	15046936	R 46 500.00	❖ Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.
Karoo Drukkery	31/03/2014	15047344	R 2 491.40	❖ Wife, Mrs. S Munro is employed at the Department of Health.
Beaufort West Luxury Coaches	26/03/2014	15047109	R 50 940.00	❖ Son, Warren Johnson is employed at the Beaufort West Municipality. Daughter in law, B Johnson is employed as a traffic officer at Department of Community

				Safety.
Wilma's Catering Services	26/03/2014	15047103	R 35 000.00	❖ Brother currently employed as a Councilor at the Beaufort West Municipality.
Avril's Catering	25/03/2014	15047073	R 2 400.00	❖ Daughter, Me. M Johnson employed with the Department of Correctional Services.
Sonneblom Bloemiste	20/03/2014	15046934	R 9 000.00	❖ Son, Mr H Jack is currently employed at the Beaufort West Municipality on a contract basis.

1. Prohibitions on awards to persons in the service of the state

In terms of the Municipal Supply Chain Management Regulations, Paragraph 44, the supply chain management policy of a municipality must, irrespective of procurement process followed, state that the municipality may not make any award to a person:

(a) Who is in the service of the state

With the searches conducted via Trans Union to check whether supplier registered suppliers on Council's Preferred Suppliers Database is not in the service of the state, is was broad to our attention that one of non-executive directors is the service of the state. We request that Council condone this expenditure of Afrox.

Following please find the particulars of awards to persons that are in the service of the state:

Afrox	10/02/14		R 5 8474.00	Dr KDK Mokhele is an independent non-executive Director of Afrox. Board member, is currently employed at the National Department of Science and Technology.

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(b) if such goods or services are produced or available from a single provider only;

(d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"

Attached please find a schedule of Deviations and Minor Breaches approved by the Accounting Officer as Addendum 2.

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

ACTING DIRECTOR: FINANCIAL SERVICE

Addendum 1

BIDS AND FORMAL WRITTEN QUOTATIONS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 12/2014	Supply, delivery and Installation of 30m high masts & 20m scissor masts complete with floodlighting for Beaufort West Municipality.	❖ EMC Electrical Reticulation ❖ Sisindisiwe Electrical JV ❖ Lethando Eng JV Ingomso ❖ MDL Electrical ❖ Maritz Electrical ❖ Kontrei Elektries ❖ Adenco Construction	❖ R2 826 402.50 ❖ R2 834 450.18 ❖ R2 739 914.89 ❖ R2 147 112.60 ❖ R2 439 460.12 ❖ R2 448 743.35 ❖ R2 257 529.28	❖ Adenco Construction	
SCM 14/2014	Nominated Sub-contractors Upgrading of Ebenezer Avenue	❖ Rwicila Construction ❖ ELizar Ondernemings ❖ Cheslyn Transport ❖ Inyameko Trading 445 ❖ Komsaam General Construction ❖ JMG Solutions ❖ WM Workers ❖ CXM & JGS Projects ❖ Masipilisane Civils ❖ JD Konstruksie Bwes ❖ Michelle & Idene Construction Inv ❖ Sincede General Workers Construct ❖ Share-a-deal 184	❖ 283 420.00	❖ Inyameko Trading 445	
SCM 11/2014	Request for proposals: Provision of comprehensive Banking services	❖ Standard Bank ❖ Absa Bank ❖ First National Bank ❖ Ned bank	❖ 693 811.80 ❖ 565450.56 ❖ 708 899.40 ❖ 504 885.60	❖ Nedbank	
SCM 13/2014	Construction of the bulk water supply Nelspoort	❖ De Jager Loodgieter ❖ Move it Civils	❖ 1 550 204.83 ❖ 1 835 267.25	❖ De Jager Loodgieter	

		❖ A2 Loodgieter ❖ Slyahlongana ❖ Funda Civils CC ❖ C.A.L Construction ❖ ATN Roadmarking & Civils	❖ 1 838 376.05 ❖ 2 351 428.82 ❖ 3 041523.70 ❖ 3 492 304.70 ❖ 4 286 655.10	Contractors	
CKDM 14-2013/14	Transversal Agreement: Tender: CKDM 14-2013/14 Skills Development And Securing Of Funds	❖ Africa Creek Investment (Pty) Ltd	❖ The service provider is responsible for the securing funds		

Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	Emergency	Art-Work welding	R 4,000.00	30/01/2014	Fire services new office was broken into by removing security gate.
(b)	Sole Supplier	Elster Kent Metering	R 10,545.00	30/01/2014	Sole manufacturer of Elster metering and strainers
		Karoo Beton werke	R 4,140.00	30/01/2014	Only local manufacturer of concrete products.
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Booysens Funerals	R 4,254.00	27/01/2014	Financial constraints of family, request assistance.
		TMS Hasler	R 6,400.00	07/01/2014	Service provider for franking machine procured
		Bell Oak Investments	R 44,095.20	09/01/2014	Procure tag labels for tag surveillance system from successful bidder
		SM Consultants	R 25,800.00	13/01/2014	Service provider for the distribution of traffic summonses Nov & Dec 13
			R 20,250.00	29/01/2014	
		Nyala Communications	R 3,499.00	31/01/2014	The only service provider for internet services
		B&B Sweiswerke	R 2,800.00	14/01/2014	Pull and release of borehole pump on Chicken farm
		BKB	R 5,088.60	20/01/2014	Only Local supplier of ammonium sulphate and growth salt.
		Asla	R 6,137.20	31/01/2014	Repair damaged house erf 9747, damaged by vehicle
		Karoo Fire	R 5,400.00	15/01/2014	Only service provider locally to supply & service fire extinguishers
			R 3,750.00	29/01/2014	
		Beaufort Alarms	R 4,326.30	03/01/2014	Repair alarm system at Rustdene office where burglary took place.
		CTM	R 4,428.35	17/01/2014	Only available supplier with specific tiles for the VIP lounge.
		Die Courier	R 2,104.38	30/12/2013	Printing of vehicle logbooks books for workshop
		Ignite Advisory Services	R 17,460.81	09/01/2014	Performance Management Service Provider
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 3,351.60	30/01/2014	Only newspaper circulating in the Central Karoo
(d)(v) /	The appointment of any person to provide professional services where the value of such appointment is less than R200 000	Danielle Studie Sentrum	R 25,450.64	21/01/2014	Professional services for the reconciliations of creditors and stores
		Marais Muller Yekiso Attorneys	R 49 413.30	29/01/2014	Legal advice w.r.t Afri-forum
		Crawford's Attorneys	R 13,110.00	27/01/2014	Local official law practitioner handling the transportations

			R 5,848.20	09/01/2014	Legal advice on performance contract of Municipal Manager
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Beaufort West Precision Motor eng	R 2,268.60	29/01/2014	CZ 3484 - Sole supplier in Town that van repair vehicle
		All Access	R 3,432.83	29/01/2014	CZ 4930 - Repairs to cherry picker

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	Elster Kent Metering	R 5,529.00	10/2/2014	Sole manufacturer of Elster meters and strainers
		Karoo Vleisboere Kooperasie	R 17,099.65	21/02/2014	Sole supplier of goods in Murraysburg
		De Jager Loodgieters	R 2,280.00	17/02/2014	Sole local supplier of calcrete
		Karoo Betonwerke	R 6,156.00	26/02/2014	Sole local supplier of piramides.
		Penny Pinchers	R 8,877.18	20/02/2014	Sole locally supplier that can supply stock
		BKB	R 8,229.30	19/02/2014	Sole local supplier of ammonuim sulphate and growth salt
		B&B Sweiswerke	R 3,145.00	7/2/2014	Pull and drop borehole at Small Hansrivier
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Lithotech	R 24,168.00	4/2/2014	Specialized printing works for municipal accounts
		Isak Goeieman	R 2,000.00	6/2/2014	Families request financial assistance from Municipality
		Proudly Karoo	R 4,980.00	20/02/2014	Visibility t-shirt with branding for swimming pool officials
		Makkhukane Consulting	R 8,205.67	26/02/2014	Installation of pre-paid meters in Murraysburg
		Ubertech	R 98,564.40	1/2/2014	Contracted i.t.o a service level agreement to provide IT support.
		Pressure Sealers	R 4,100.00	4/2/2014	Preventative maintenance service and check settings
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 6,160.79	19/02/2014	Advertisement in Die Burger for Notice no.17/2014
(d)(vi)	ad-hoc repairs to plant and	George Lawnmowers	R 7,112.25	3/2/2014	Tri-cycle lawnmower, do repairs

	equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Bwes precision motor eng	R 11,868.00	11/2/2014	Hyundai- overall engine and specialized services
		Wurth	R 47,225.30	26/02/2014	Sole supplier and importer of these products

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		**SUPPLIERS**	**AMOUNT**	**DATE**	**REASON FOR DEVIATION**
(a)	**Emergency**	WCC Cables	R 182,379.36	17/03/2014	The owerhead power lines was stolen and urgent repairs were necessary
		Bafana Bafana Elektries	R 97,384.52	31/03/2014	Restring of lines to pumps
(b)	**Sole Supplier**	Penny Pinchers	R 12,412.77	3/3/2014	Sole local supplier that can supply stock otherwise transportations costs would have been paid if supplied outside Beaufort west
		Drager	R 12,451.08	31/03/2014	Sole supplier of drager alcohol tester equipment in the Western Cape
		Hazard Bonaka	R 18,462.10	31/03/2014	Only supplier with stock to provide quotation for Sirens and emergency lights
		B&B Sweiswerke	R 2,920.00	19/03/2014	Pull down bore hole at Hansrivier
		E Esterhuizen	R 10,260.00	3/3/2014	Only available contractor with grader to repair access road to Katjieskop Substation for the minister of Energy
		Beaufort Alarms	R 3,021.00	18/03/2014	Sole service provider locally to monitor the existing alarm system
(d)	**Any exceptional case where it is impractical or impossible to follow the official procurement processes**	Bwest Luxury Coaches	R 50,940.00	12/3/2014	Transport people from district for minister's substation launch at Katjieskop
			R 2,100.00	26/03/2014	Transportation of 310 beneficiaries from their wards to Thusong Centre
		Waltons	R 9,066.60	31/03/2014	Only supplier that responded to request for quotation
		Q's Projects	R 11,700.00	10/3/2014	Catering on short notice for training at Weighbridge
		Conchem saligna	R 2,039.41	13/03/2014	Only service provider that supply the poison
		ASLA	R 6,996.40	5/3/2014	The house is a ASLA construction house and must be repaired
		Henchem	R 24,794.20	26/03/2014	Request to provide Orbit outpace super & orbit 200gr
		Youngs Halfway House	R 15,000.00	25/03/2014	Only service provide that provided a quotation
		Centracell	R 5,677.55	31/03/2014	Saving cost on telephone system
		Ignite Advisory	R 60,348.18	7/3/2014	Performance Management Service Provider

		Services			
		Die Courier	R 3,505.50	3/3/2014	Cheapest supplier of funeral books
		SM Consultants	R 16,350.00	18/03/2014	Service provider for the distribution of traffic summonses
		Nyala Communications	R 3,499.00	31/03/2014	The only service provider for internet services
(d(v)	**The appointment of any person to provide professional advice or services is less thant R200 000 or any greater amount**	Danielle Studiesentrum	R 76,551.14	3/3/2014	Reconcile the creditors and stores, it was not practical to obtain other quotations due to time constraints.
		Crawfords Attorneys	R 4,560.00	5/3/2014	Local official law practitioner handling the transportations
		S.B Naidoo	R 4,738.98	5/3/2014	Only service provider locally for balju services
(d)(i)	**Any contract relating to the publication of notices and advertisements by the municipality**	Die Courier	R 27,826.85	31/03/2014	Only newspaper circulating in the Central Karoo
(d)(vi)	**ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.**	B&B Sweiswerke	R 24,300.00	6/3/2014	CZ 4118 - Replacement of wear bars on refuse truck
		Tricom Africa	R 2,206.00	12/3/2014	Sole supplier to supply spare parts for spilhaus pump
		Sprinter Zone	R 5,802.60	18/03/2014	CZ 10707- Tow in from Beaufort to Parow, attend to clutch
		Hilbert	R 19,546.00	25/03/2014	Test and repair repeaters and antennae of hand radios

SUPPLY CHAIN MANAGEMENT QUARTERLY IMPLEMENTATION REPORT: 01 APRIL – 30 JUNE 2014

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

Council has resolved that the Implementation Report must be submitted monthly in order to ensure effective oversight as prescribed in the policy.

1. **Bids Awarded By The Bid Adjudication Committee**

Attached please find as Addendum 1 the report for the quarter of 01 April to 30 June 2014.

2. **Awards to Close Family Members of Persons in the Service of the State**

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Wilma's Catering Services	09/04/2014	15047629	R 4 000.00	❖ Brother currently employed as a Councilor at the Beaufort West Municipality.
PJ Sound & Vision	17/04/2014 03/04/2014	15047554 15047805	R 3 700.00 R 10 000.00	❖ Son, Mr PJ Julies is employed as vehicle inspection and traffic officer at Beaufort West Municipality.
Van Niekerk Prokureurs	01/04/2014 16/05/2014	15047440 15048541	R 3 074.67 R 2 404.91	❖ Husband Mr F Van Niekerk is currently employed at the Department of Education
Beaufort West Luxury Coaches	08/04/2014 17/04/2014 15/05/2014	15047804 15048522	R 17 340.00 R 6 297.00 R 3 950.00	❖ Son, Warren Johnson is employed at the Beaufort West Municipality. Daughter in law, B Johnson is employed as a traffic officer at Department of Community Safety.
L July	08/04/2014	15047577	R 2 500.00	❖ Spouse, P July, is currently employed by the Beaufort West Municipality in Nelspoort.
Karoo Beton werke	03/04/2014	15047508	R 15 100.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
Karoo Motors Werkswinkel	30/04/2014 29/05/2014 27/06/2014	15048173 15048855 15049526	R 88 294.10 R 53 072.70 R 111 125,92	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health

				Services
Karoo Drukkery	19/06/2014	15049195	R 9 429,75	❖ Wife, Mrs. S Munro is employed at the Department of Health.
Sonneblom Bloemiste	26/05/2014	15048723	R 2 500.00	❖ Son, Mr H Jack is currently employed at the Beaufort West Municipality on a contract basis.
General Shine Catering	06/05/2014	15048360	R 30 000	❖ Husband, Mr Diedericks, is currently employed by Department of Community Services as a traffic officer.

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(b) if such goods or services are produced or available from a single provider only;

(d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"

Attached please find a schedule of Deviations approved by the Accounting Officer as Addendum 1. There are no minor breaches to be reported.

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

ACTING DIRECTOR: FINANCIAL SERVICE

Addendum 1

BIDS AND FORMAL WRITTEN QUOTATIONS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 18/2014	Supply and delivery of one new pad mounted standard type 'B" mini substation 400 kva 1100/400 volt	❖ Electro Inductive Industries ❖ Jocastro ❖ Actom ❖ VE reticulation ❖ Powerrec ❖ Free state transformers ❖ Voltex ❖ WCC Cables	❖ R 317843.04 ❖ R 353 810.40 ❖ R 347 136.84 ❖ R 380 000.00 ❖ R 369 721.38 ❖ R 362 200.80 ❖ R 384 400.00 ❖ R 347 859.60	❖ WCC Cables	None
SCM 19/2014	Digging of graves Beaufort west Municipality	❖ WM Workers ❖ JMG Solutions ❖ Q & K projects ❖ Verrooy Construction ❖ Rwicila Construction ❖ Francios Construction	Unit prices	❖ Q & K projects	None
SCM 20/2014	Supply and delivery of a hydraulic spiking gun - Electrical	❖ Chantmerc Investments cc ❖ Sicame SA ❖ Flo Specialized Product Solutions	❖ R 76 950.00 ❖ R 67 300.23 ❖ R 58 500.00	❖ Flo Specialized Product Solutions	None
SCM 21/2014	Supply, delivery and installation of 2 36000 btu mid wall split air conditioners at mimosa hall	❖ B-wes Lugreeling & Verkoeling ❖ Shore Imports	❖ R 43 749.64 ❖ R 63 206.99	❖ B-wes Lugreeling & Verkoeling	None
SCM 22/2014	Supply, delivery of IT hardware and software	❖ Brilliant computers ❖ Juvinon t/a ISM ❖ Procon ❖ Fisotho ❖ Mantella ❖ First Techno ❖ Datategra ❖ Dooling IT	❖ R 74 078.00 ❖ R 64 715.00 ❖ R 53 460.30 ❖ R 95 800.00 ❖ R 68165.99 ❖ R 74 960.70 ❖ R 75 707.06 ❖ R 89 194.00	❖ Mantella	None
SCM 25/2014	Construction of a 11kv Overhead power line shooting range bore hole pump in Beaufort West	❖ MDL Electrical ❖ Adenco	❖ R 328 369.93 ❖ R 418 069.04	❖ MDL Electrical	None

Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR APRIL					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	BKB	R 2,366.60	16/04/2014	Sole supplier that can provide on account Lusern Bale and Corn
		PG Glass	R 6,262.29	14/04/2014	Sole supplier that could supply and install windows at 22 houses
		Actebis 256 CC	R 4,970.40	22/04/2014	Sole supplier to remove hazardous waste.
		B & B Sweiswerke	R 3,710.00	23/04/2014	Sole supplier that can pull borehole pumps
		Karoo Fire	R 2,300.00	22/04/2014	Only service provider locally to supply & service fire extinguishers
		Karoo Vleisboere	R 32,031.37	22/04/2014	Sole supplier in Murraysburg that can supply the stock
		Beaufort Alarms	R 4,577.00	29/04/2014	Sole supplier, repair alarm system in Beaufort West
		Elster Kent Metering	R 792,014.79	2/4/2014	Sole manufacturer of Elster meters and strainers
		Karoo Betonwerke	R 15,100.00	8/4/2014	Sole local manufacturer of concrete products
		Spectrum Communications	R 23,590.00	3/4/2014	Sole supplier of Telementry System
		Vastrap Grondverskuiwings	R 3,000.00	2/4/2014	Sole supplier in Murraysburg that have a TLB machine
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	PJ Sounds	R 10,000.00	22/04/2014	Only available local supplier that could provide stage & sound on short notice.
		Art work welding	R 2,770.00	25/04/2014	Supply and install steel grit in Danie Theron street
		ED Catering	R 3,000.00	17/04/2014	Signing of IEC code of conduct, supply refreshments
		Kivido's Transport	R 3,800.00	23/04/2014	Transport of passengers from Murraysburg to Beaufort west
		TMS Hasler	R 6,400.00	4/4/2014	Service provider for franking machine procured
		NOSA	R 21,219.99	22/04/2014	Only supplier in Western Province that specializes in the training
		Mr G Brooks	R 2,500.00	14/04/2014	Mr Brooks is the only supplier that can dismantle tents.
		Penny Pinchers	R 108,552.42	14/04/2014	Sole local supplier that can supply stock, other suppliers outside Beaufort West charge extra for transport.
		Ignite Advisory Services	R 62,098.37	4/4/2014	Performance Management Service Provider

(d(v)	**The appointment of any person to provide professional advice or services is less thant R200 000 or any greater amount**	Abrahams Kiewiets Attorneys	R 74,545.00	22/04/2014	CCMA Case of S Moses, legal opinion
		Danielle studiesentrum	R 25,450.64	23/04/2014	Consultant - reconciliation of stores & creditors
		S.B Naidoo	R 3,370.98	7/4/2014	Only service provider locally for balju services
		Ignite	R 68,400.00	11/4/2014	IDP 2014/2015 cycle, urgent submission to Local Gov,review
		Crawfords Attorneys	R 53,317.80	11/4/2014	Local official law practitioner handling the transportations
(d)(i)	**Any contract relating to the publication of notices and advertisements by the municipality**	Die Courier	R 3,927.07	3/4/2014	Only newspaper circulating in the Central Karoo
		Media 24	R 5,750.07	7/4/2014	Advertisement in Die Burger for Notice no.31/2014
(d)(vi)	**ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.**	Hoistec Engineering	R 9,684.30	22/04/2014	Sole supplier of Safety inspection and load testing of beams at pump stations.
			R 6,161.70	22/04/2014	
			R 14,563.50	22/04/2014	Need safety certificates, sole supplier on database.
		George Lawnmowers	R 18,733.56	22/04/2014	Supplier that are the nearest to Beaufort West to repair lawnmowers and chainsaws
			R 2,190.43	22/04/2014	
		Hilbert Radios	R 22,282.44	7/4/2014	Repair repeaters and antennas
		B-wes rugleering & Verkoeling	R 4,161.85	22/04/2014	Inspect and repair air conditioner in Nelspoort

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR MAY					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	**Sole Supplier**	Elster Kent Metering	R 74 102,00	19/05/2014	Sole manufacturer & supplier of Elster Meters & Strainers
		PG Glass	R 9 185,49	13/05/2014	Sole supplier that can supply and install windows at 219 houses
		Pressure Sealers	R 4 100,00	26/05/2014	Preventative maintenance service & check settings
		Trentyre	R 7 652,00	30/05/2014	Sole local supplier that can provide Willard Batteries
(d)	**Any exceptional case where it is impractical or impossible to follow the official procurement processes**	Essop Multisave	R 2 345,00	12/05/2014	Supply refreshments for Minister of Rural Development function
			R 8 680,90	12/05/2014	
			R 4 867,20	16/05/2014	Only supplier that can supply goods on account
		B&B Sweiswerke	R 15 370,00	15/05/2014	Fencing steam station
		N Colyn	R 9 535,00	16/05/2014	Fencing Brummer substation
			R 15 410,00	16/05/2014	Fencing Wimpy mini substation
		Beaufort west Luxury Coaches	R 3 950,00	02/05/2014	Transport people from Nelspoort to Beaufort West and back for meeting
			R 17 340,00	16/04/2014	Transport people from Merweville, Nelspoort and Murraysburg to Beaufort West and back for meeting
		Harvey World Travel Group	R 8 180,00	22/05/2014	Flight ticket for Mayor-Inauguration of President
		Sonneblom Bloemiste	R 2 500,00	14/05/2014	Supply flowers and décor the Minister of Rural development
		Penny Pinchers	R 4 206,33	14/05/2014	Only supplier locally that can supply goods. It is not practical to use other suppliers out of town as their delivery cost is high.
			R 3 392,92	14/05/2014	
			R 3 439,79	14/05/2014	
		SM Consultants	R 14 700,00	20/05/2014	Service provider for the distribution of traffic summonses
			R 19 800,00	02/05/2014	
(d(v)	**The appointment of any person to provide professional advice or services is less thant R200 000 or any greater amount**	Ignite Advisory Services	R 13 159,31	09/05/2014	Performance Management Service Provider
		D Fortuin	R 2 500,00	24/04/2014	Consulting fee for drawings for pub furniture
(d)(i)	**Any contract relating to the publication of notices and advertisements by the municipality**	Media 24	R 6 160,79	27/05/2014	Newspaper circulating in Western Cape-Advert - SCM 26-2014 upgrading of Pieter Street.

(d)(vi)	**ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.**	Southern Cape Compressed Air Services	R 8 406,36	15/05/2014	Agent-Service of air compressor
		George Lawnmowers	R 3 032,40	21/05/2014	Torro Greencutter at Golf course - Strip and repair
			R 5 419,10	21/05/2014	Striker kudu Briggs - Strip and repair
			R 3 025,50	30/05/2014	Robin HP Washer - Stihl - Strip and repairs
			R 2 591,78	29/05/2014	Tricycle Lawnmower - Strip and repairs
		Precision Motor Engineers	R 19 620,54	29/05/2014	Mobile Welder - Specialized service by Engineers.
		Karoo Lugreeling & Verkoeling	R 2 350,00	22/05/2014	Ascertain the problem of air conditioner and repair at traffic offices

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR JUNE					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	Trentyre	R 10 326,00	24/06/2014	Sole supplier locally that can provide Willard Batteries
		Middleton Geomatics	R 10 032,00	02/06/2014	Relocation of beacons Erf 5298 & 13 Nelspoort
		Automotor Traffic signal	R 4 380,00	11/06/2014	Manufacturer of traffic controller and repairs
		Lithotech	R 10 200,00	14/06/2014	Sole supplier for the printing of cheques of Nedbank
		B&B Sweiswerke	R 3 500,00	19/06/2014	Pull down boreholes at Kuilspoort
		Karoo Vleisboere Koop	R 9 696,71	25/06/2014	Sole supplier in Murraysburg that can supply the stock
		Skuza Transport	R 2 112,00	23/06/2014	Only Taxi operating in Murraysburg that can transport passengers. He transported ward committee members to Beaufort West and back to Murraysburg
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	SM Consultants	R 12 750,00	27/06/2014	Service provider for the distribution of traffic summonses
		Pentecostal Church	R 6 800,00	03/06/2014	Indigent applications was renewed.
		New Fountain Ministries	R 5 500,00	03/06/2014	
		WCC Cables	R 10 830,00	13/06/2014	Install extra bulk meter in the minisub, SCM 18/2014 Tender
		Ubertech	R 2 371,20	19/06/2014	Appointed i.t.o a service level agreement to provide IT support
		Benjamin Bus Services	R 2 400,00	05/06/2014	Transport community members for Minister function
		Harvey World Travel Group	R 5 167,60	12/06/2014	Flight ticket for Director Engineering services IMESA conference
		Nyala Communications	R 3 499,00	30/06/2014	The only service provider for internet services
		City Security Services	R 6 837,00	05/06/2014	Security services rendered at Murraysburg Centre
(d(v)	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	ODS Consulting CC	R 62 978,16	27/06/2014	Facilitating selecting process and reporting for Director Corporate and Financial Services
		S.B Naidoo	R 3 095,67	06/06/2014	Only service provider locally for balju services
		Abrahams Kiewiets Attorneys	R 33 174,00	30/06/2014	Legal fees for contract with Central Karoo Traffic Systems
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 17 695,66	19/06/2014	Only newspaper circulating in the Central Karoo
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature	Bwes Precision Engineers	R 2 374,62	09/06/2014	CZ 6416 - Sole local supplier of specialised repair work
			R 7 068,00	13/06/2014	CZ 7713 - Sole supplier of specialised repair work

	or extent of the work required in order to call for bids.	Short's Nissan	R 3 441,69	12/06/2014	CZ 3697 - Agent - first 5000km service

		2014	2013
44	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUE)	R	R

44.8 Other non-compliance

MFMA Section 65(2)(b)
Adequate management, accounting and information system was not in place which accounted for creditors.

MFMA Section 65(2) e

The municipality had experienced cash flow problems during the year as a result of which creditors were not always paid within 30 days of date of statement or invoice as required.

MFMA Section 15
Expenditure was not only incured in terms of an approved budget and within the limits of the amounts approved for the different votes in an approved budget.

MFMA Section 165
The municipality had shortcomings/deviations with regard to the internal audit function.

MFMA Section 166
The municipality had shortcomings/deviations with regard to the audit committee.

MFMA Section 32(4)
Report pertaining to unauthorised, irregular, fruitless and wasteful expenditure have not been submitted to all relevant parties.

45 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:		
Approved and contracted for:	4,796,968	6,234,976
Infrastructure	4,796,968	6,234,976
Total	**4,796,968**	**6,234,976**
This expenditure will be financed from:		
Government Grants	4,796,968	6,234,976
	4,796,968	**6,234,976**

46 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	2014 R	2013 R
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
0.5% (2012 - 0.5%) Increase in interest rates	(24,960)	(2,866)
0.5% (2012 - 0.5%) Decrease in interest rates	24,960	2,866

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

The ageing of amounts past due and not impaired is as follows:

	Non-Exchange Receivables R	Exchange Receivables R	Total R
2014			
1 month past due	694,551	1,886,692	2,581,243
2 + month past due	-	5,402,192	5,402,192
Total	694,551	7,288,884	7,983,435
2013			
1 month past due	1,072,073	995,389	2,067,462
2 + month past due	-	8,510,135	8,510,135
Total	1,072,073	9,505,524	10,577,597

46 FINANCIAL RISK MANAGEMENT (CONTINUE)

All rates and services are payable within 30 days from invoice date. Refer to note 19 and 20 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

Balances past due not impaired:

	2014 %	2014 R	2013 %	2013 R
Non-Exchange Receivables				
Rates	0.00%	694,551	0.00%	1,072,073
Exchange Receivables				
Electricity	0.00%	-	0.00%	-
Water	5.56%	404,911	0.04%	4,255
Refuse	21.09%	1,536,907	12.41%	1,179,419
Sewerage	27.25%	1,986,266	13.63%	1,295,419
Housing Rentals	0.36%	26,103	0.31%	29,537
Other	45.75%	3,334,697	73.61%	6,996,894
	100.00%	7,288,884	100.00%	9,505,524

No receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 19 & 20 of the financial statements is an approximation of its fair value. Interest on overdue balances (rates) are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2014 %	2014 R	2013 %	2013 R
Non-Exchange Receivables				
Rates	14.15%	3,835,562	100.00%	4,300,688
Fines	85.85%	23,271,300	0.00%	-
	100.00%	27,106,862	100.00%	4,300,688
Exchange Receivables				
Electricity	13.81%	4,539,577	12.82%	3,812,773
Water	8.22%	2,701,796	6.80%	1,948,068
Refuse	12.67%	4,164,179	11.62%	3,325,578
Sewerage	18.18%	5,973,477	15.12%	4,327,025
Housing Rentals	0.20%	64,812	0.25%	71,874
Other	46.92%	15,419,014	53.58%	15,333,831
	100.00%	32,862,855	100%	28,617,149

Bad debts written off per debtor class:

Non-Exchange Receivables				
Rates	0.00%	-	0.00%	-
Exchange Receivables				
Services	100.00%	(7,461,979)	100.00%	7,461,979
Other	0.00%	-	0.00%	-
	100.00%	(7,461,979)	100.00%	7,461,979

46 FINANCIAL RISK MANAGEMENT (CONTINUE)

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only enters into non-current investment transactions with major banks with high quality credit standing. Although the credit risk pertaining to non-current investments are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (ABSA). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

Financial assets exposed to credit risk at year end are as follows:	2014 R	2013 R
Long term receivables	3,676,587	1,621,507
Trade receivables and other receivables	24,449,248	22,974,576
Cash and Cash Equivalents	9,344,398	18,097,679
Unpaid conditional grants and subsidies	670,378	972,570
	38,140,611	43,666,332

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 30 years
2014			
Long Term liabilities	5,140,312	11,693,253	11,173,707
Capital repayments	3,476,271	7,623,652	6,978,891
Interest	1,664,041	4,069,601	4,194,816
Trade and Other Payables	16,041,790	-	-
Unspent conditional government grants and receipts	6,478,096	-	-
	27,660,198	11,693,253	11,173,707
2013			
Long Term liabilities	4,478,185	11,303,059	12,951,299
Capital repayments	2,808,681	6,735,305	7,968,085
Interest	1,669,504	4,567,754	4,983,215
Trade and Other Payables	21,887,573	-	-
Unspent conditional government grants and receipts	6,801,574	-	-
	33,167,332	11,303,059	12,951,299

			2014 R	2013 R
47	FINANCIAL INSTRUMENTS			
	In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:			
	The fair value of financial instruments approximates the amortised costs as reflected below.			
47.1	**Financial Assets**	**Classification**		
	Long-term Receivables			
	Receivables with arrangements	Financial instruments at amortised cost	4,387,459	3,400,933
	Consumer Debtors			
	Trade receivables from exchange transactions	Financial instruments at amortised cost	25,963,692	19,825,849
	Other receivables from exchange transactions	Financial instruments at amortised cost	19,847,609	22,886,315
	Unpaid Conditional Grants and Receipts			
	Other Spheres of Government	Financial instruments at amortised cost	670,378	972,570
	Short-term Investment Deposits			
	Call Deposits	Financial instruments at amortised cost	9,332,328	16,811,803
	Bank Balances and Cash			
	Bank Balances	At amortised cost	-	1,273,546
	Cash Floats and Advances	Financial instruments at amortised cost	12,070	12,330
			60,213,536	65,183,346
	SUMMARY OF FINANCIAL ASSETS			
	Financial instruments at amortised cost		60,213,536	65,183,346
47.2	**Financial Liability**	**Classification**		
	Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	12,028,203	13,540,045
	Capitalised Lease Liability	Financial instruments at amortised cost	2,574,372	1,163,349
	Trade Payables			
	Trade creditors	Financial instruments at amortised cost	14,888,153	20,843,901
	Unspent Conditional Grants and Receipts			
	Other Spheres of Government	Financial instruments at amortised cost	7,148,474	7,774,144
	Public Contributions	Financial instruments at amortised cost	139,052	-
	Bank Balances and Cash			
	Bank Balances	Financial instruments at amortised cost	3,754,500	-
	Current Portion of Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	1,516,227	1,877,333
	Capitalised Lease Liability	Financial instruments at amortised cost	1,960,044	931,348
			44,009,025	46,130,120
	SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost		44,009,025	46,130,120

48 EVENTS AFTER THE REPORTING DATE

The municipality did not have any event after the reporting date.

49 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

50 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

51 CONTINGENT LIABILITY

The following guarantees also qualify as contingent liabilities:

NAME / REG NO - GUARANTEE ISSUED TO		2014 R	2013 R
ABSA/227	Eskom: Supply Electricity - Nelspoort	41,000	41,000
1165040859	Eskom	34,500	34,500
ABSA Bank	South African Post Office	50,000	50,000
Total		**125,500**	**125,500**

52 CONTINGENT ASSETS

BANK / FIRM - PURPOSE - REG NO				
First National Bank	Electricity supply	147	2,020	2,020
FNB/Shoprite	Electricity Supply	88	12,265	12,265
FNB/Ackermans	Electricity Supply	91	2,080	2,080
Lombard Insurance Group/AGMS	Housing Project: Merweville	248	210,450	210,450
Lombard Insurance Group/SWANSA	Reclamation Plant	261	260,068	260,068
Lombard Insurance Group	Construction of detention dam in Hillside Phase 1	273	915,693	915,693
ABSA Bank	W&E Service Erf no. 7401 (BW Mall)	270	222,000	222,000
Renasa Insurance Company LTD	30 Meter High Mast Pole - Floodlighting	266	853,876	853,876
Rand Merchant Bank	Upgrading boreholes for water supply Murraysburg	283	92,410	-
Fusion Guarantee	Upgrading of Ebenezer Avenue Beaufort West	284	356,873	-
Rand Merchant Bank	Bulk water supply for Nelspoort	285	155,020	-
Total			**3,082,755**	**2,478,452**

53 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

53.1 Related Party Transactions

Year ended 30 June 2014	Rates - Levied 1 July 2013 - 30 June 2014	Service Charges - Levied 1 July 2013 - 30 June 2014	Other - Levied 1 July 2013 - 30 June 2014	Outstanding Balances 30 June 2014
Councillors	**22,971**	**149,593**	**3,013**	1,571
Councillor D Slabbert (010137/011832)	4,524	14,622	1	-
Councillor D Slabbert (028981/031495)	323	2,683	-	-
Councillor DE Welgemoed (012158/012159)	6,573	36,595	11	-
Councillor G de Vos (014633/014634)	4,350	23,804	-	-
Councillor G de Vos (014914/014634)	-	7,704	-	-
Councillor GP Adolph (021180/032194)	625	2,011	-	-
Councillor HT Prince(009892/010957)	-	16,405	-	-
Councillor HT Prince(010956/010957)	3,446	22,996	-	-
Councillor HT Prince(007782/010957)	-	4,977	-	-
Councillor L Deyce (510271/000768)	837	1,074	-	437
Councillor M Furmen (023379/023380)	194	7,179	-	884
Councillor R van der Linde (020002/020003)	1,905	4,470	-	-
Councillor R van der Linde (070128/020003)	-	-	3,000	250
Councillor SM Motsoane (022661/022662)	195	3,952	-	-
Councillor PA Jacobs (024348/024349) Resigned 31/08/2013	-	1,122	-	-
Municipal Manager and Section 57 Employees	**26,604**	**57,708**	-	1,445
Municipal Manager : J Booysen(020051/020052)	-	1,054	-	-
Municipal Manager : J Booysen(010964/032381)	2,218	18,488	-	-
Municipal Manager : J Booysen(004922/032381)	876	2,298	-	-
Director : A Makendlana (012180/029959)	7,042	1,660	-	-
Director : R van Staden (011989/011990)	8,485	5,420	-	-
Director : JCL Smit (011486/011487)	7,982	28,224	-	524
Director : NE Mfundisi (036117/040042) Resigned 31/10/14	-	564	-	921

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

53.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 17 to the Annual Financial Statements.

53.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

53.4 Other related party transactions

The following purchases were made during the year where Councillors or Management have an interest:

Councillor/Staff Member	Entity

Mr. T Prince (a council member of the Beaufort West Municipality) is the president of Beaufort West Local Football Association. The property on which the Football Association is built belongs to the municipality and is leased to the Football Association at an annual amount of R36,000. At 30 June 2014 an amount of R180 036 was outstanding in respect of the lease payments.

54 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The current ratio increased to 0.93:1 from 1.05:1 in the prior year.

The municipality have budgeted for a surplus of R15 373 356 for the 2013/2014 financial year. The municipality is also budgeting for negative cash flows during 2014/2015 and 2015/2016 amounting to R11 625 498 and R3 320 247 respectively.

The average debtors' payment days decreased to 278 days from 199 days.

A bank overdraft facility is utilised amounting to R 5 000 000.

The municipality is in arrears with external loans to an amount of R13 544 430 (2013 - R15 417 375)

Other Indicators

Possible outflow of recources due the contingent liability disclosed in note 51

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at 30 June 2013	Correction of Error	Balance at 30 June 2013 Restated	Received during the period	Redeemed written off during the period	Balance at 30 June 2014
					R	R	R	R	R	R
ANNUITY LOANS										
General										
Sanlam Building RB21/10/03 IT 5,44	10,5%	DBSA	101257/1	2019/12/31	989,516	-	989,516	-	113,024	876,492
Tata Truck 2 Ton CZ 6388	8,6%	STANDARD	73702013/0003	2016/08/31	107,056	-	107,056	-	30,716	76,340
Tractor CZ 17798	10,8%	DBSA	103465/4	2014/06/30	35,210	-	35,210	-	35,210	-
Case Tractor 2WD CZ 6311	8,6%	STANDARD	73702013/0004	2016/08/31	116,835	-	116,835	-	33,521	83,314
Upgr, Fencing & Alarm System	9,7%	F N B	2012/001	2017/06/01	111,521	-	111,521	-	23,682	87,839
Caterpillar Digger/Loader CZ 5169	9,7%	F N B	2012/002	2017/06/01	508,033	-	508,033	-	107,966	400,067
Sod Cutter	9,7%	F N B	2012/003	2017/06/01	23,656	-	23,656	-	4,998	18,658
Lawn Mower Tractor Attached	9,7%	F N B	2012/004	2017/06/01	22,358	-	22,358	-	4,723	17,636
Lawn Mower Gholf Course	9,7%	F N B	2012/005	2017/06/01	8,181	-	8,181	-	1,930	6,251
Sewerage Farm Merweville	6,8%	DBSA	103464/2	2025/06/30	2,338,702	-	2,338,702	-	140,186	2,198,516
Case Tractor CZ 7397	9,7%	F N B	2012/006	2017/06/01	131,800	-	131,800	-	27,991	103,809
Tata Truck 2 Ton Tipper CZ 5339	9,7%	F N B	2012/007	2017/06/01	138,556	-	138,556	-	29,439	109,117
Refuse Truck CZ 3464	10,9%	DBSA	103465/3	2017/06/30	593,718	-	593,718	-	125,788	467,932
Archimedes Sewerage Pump	9,7%	F N B	2012/008	2017/06/01	235,602	-	235,602	-	50,053	185,549
Electricity										
Electr Housing scheme AA10/12/14	12,0%	DBSA	9055	2013/09/30	468,314	-	468,314	-	468,314	-
Load control syst RB12/5/96 IT,2	14,0%	DBSA	10619	2019/03/31	1,464,780	-	1,464,780	-	169,503	1,295,277
Dyna Cherry Picker CZ 4930	9,5%	ABSA	80343235	2015/11/01	236,745	-	236,745	-	91,448	145,297
Compressor CZ 4660	9,5%	ABSA	80164278	2015/10/01	95,493	-	95,493	-	38,360	57,133
Truck with crane CZ 2654	10,9%	DBSA	103464/3	2017/06/30	465,323	-	465,323	-	98,592	366,731
Toyota Hilux 2L CZ 10975	8,6%	STANDARD	73702013/0001	2019/07/31	52,022	-	52,022	-	15,385	36,637
20MVA Transformer	10,9%	DBSA	103464/1	2029/07/31	4,296,979	-	4,296,979	-	101,304	4,195,675
Water Works										
Farm Hansrivier	10,9%	DBSA	103464/1	2029/07/31	1,903,179	-	1,903,179	-	44,792	1,858,387
Prsssure Control System	10,9%	DBSA	103464/1	2026/07/31	611,415	-	611,415	-	14,449	596,966
Isuzu L D V CZ 5929	10,0%	ABSA	79864507	2013/07/01	2,311	-	2,311	-	2,311	-
Trailer CZ 8253	8,6%	STANDARD	72702013/0002	2016/07/31	18,016	-	18,016	-	5,329	12,687
Telemetry System	9,7%	F N B	2012/009	2017/06/01	317,605	-	317,605	-	67,496	250,109
Water Purification Fencing	9,7%	F N B	2012/010	2017/06/01	124,452	-	124,452	-	26,440	98,012
Total Annuity Loans					15,417,378	-	15,417,378	-	1,872,947	13,544,430

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at 30 June 2013	Correction of Error	Balance at 30 June 2013 Restated	Received during the period	Redeemed written off during the period	Balance at 30 June 2014
					R	R	R	R	R	R
LEASE LIASILITY										
CZ 4548 Toyota Corolla 1.3 Impact	11.98%		Housing Office	2013/09/30	10,205	-	10,205	-	10,205	-
CZ 4557 Toyota Corolla 1.3 Impact	11.98%		Dir: Traffic Services	2013/09/30	10,205	-	10,205	-	10,205	-
CZ 4560 Toyota Corolla 1.3 Impact	12.01%		Dir: Community Services	2013/09/30	12,066	-	12,066	-	12,065	-
CZ 4561 Toyota Corolla 1.3 Impact	12.01%		Dir: Traffic Services	2013/09/30	12,437	-	12,437	-	12,437	-
CZ 4554 Toyota Corolla 1.3 Impact	12.01%		Dir: Traffic Services	2013/09/30	12,437	-	12,437	-	12,437	-
CZ 4741 Toyota Hilux 2.5 D-4D P/U S/C	12.09%		Street works & Storm Water	2013/09/30	13,740	-	13,740	-	13,740	-
CZ 4584 Toyota Hilux 2.5 D-4D P/U S/C	12.09%		Recreation Sites	2013/09/30	13,740	-	13,740	-	13,740	-
CZ 4567 Toyota Hilux 2.5 D-4D P/U S/C	12.09%		Recreation Sites	2013/09/30	13,740	-	13,740	-	13,740	-
CZ 4577 Toyota Hilux 2.5 D-4D P/U S/C	12.04%		Dir: Community Services	2013/09/30	13,957	-	13,957	-	13,957	-
CZ 4566 Toyota Hilux 2.5 D-4D P/U S/C	12.04%		Street works & Storm Water	2013/09/30	13,957	-	13,957	-	13,957	-
CZ 4754 Toyota Hilux 2.5 D-4D P/U S/C	11.98%		Water Purification	2013/09/30	14,426	-	14,426	-	14,426	-
CZ 4746 Toyota Hilux 2.5 D-4D P/U S/C	11.98%		Dir: Traffic Services	2013/09/30	14,426	-	14,426	-	14,426	-
CZ 4336 Toyota Hilux 2.5 D-4D P/U S/C	12.13%		Street works & Storm Water	2013/10/31	18,952	-	18,952	-	18,953	-
CZ 4736 Toyota Hilux 2.5 D-4D P/U S/C	12.06%		Municipal Buildings	2013/11/30	16,682	-	16,682	-	18,682	-
CZ 4730 Toyota Hilux 2.5 D-4D P/U S/C	12.06%		Water Purification	2013/11/30	16,682	-	16,682	-	18,682	-
CZ 6726 LDV TOYDTA	9.00%		Dir: Traffic Services	2014/10/13	58,680	-	58,680	-	46,412	12,268
MP4001	9.00%		Dir: Engineurs Services	2014/09/30	29,420	-	29,420	-	23,269	6,151
MPC5501	9.00%		Dir: Corporate Services	2014/09/31	69,459	-	69,459	-	59,086	10,373
CZ 8282 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Street works & Storm Water	2016/02/26	126,142	-	126,142	-	43,999	82,143
CZ 8340 ISUZU KS260D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/02/28	130,484	-	130,484	-	45,624	84,860
CZ 8341 ISUZU KS260D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/02/28	126,140	-	126,140	-	43,998	82,142
CZ 8343 ISUZU KS250D FLETSIDE A/C P/U S/C	8.50%		Municipal Buildings	2016/02/26	126,139	-	126,139	-	43,998	82,141
CZ 8406 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Reticulation High	2016/04/30	134,321	-	134,321	-	43,774	90,547
CZ 8410 ISUZU KS250D FLETSIDE A/C P/U S/C	8.50%		Recreation Sites	2016/04/30	123,985	-	123,985	-	44,806	79,179
CZ 8414 ISUZU KS250D FLETSIDE A/C P/U S/C	8.50%		Dir: Engineurs Services	2016/04/30	118,989	-	118,989	-	38,777	80,212
CZ 8415 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/04/30	134,325	-	134,325	-	43,775	90,550
CZ 8418 ISUZU KS250D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/04/30	134,326	-	134,326	-	43,776	90,552
CZ 8419 ISUZU KS250D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/04/30	139,061	-	139,061	-	43,774	95,287
CZ 8421 TOYDTA YARIS ZEN3 ACS	8.50%		Dir: Financial Servics	2016/04/30	93,662	-	93,662	-	30,589	63,273
CZ 8422 TOYOTA YARIS ZEN3 ACS	8.50%		Building Control	2016/04/30	93,664	-	93,664	-	30,589	63,275
Machine Photocopy Kyocera FS1128	9.00%		Thusong Centre	2016/09/30	64,005	-	64,005	-	18,286	45,719
Machine Photocopy Kyocera FS 6025	9.00%		Thusong Centre	2016/07/30	63,733	-	63,733	-	24,665	39,068
PABX TELEPHONE SYSTEM	9.00%		Thusong Centre	2016/03/30	38,236	-	38,236	-	10,903	27,335
CCTV CAMERA'S	20.50%		Dir: Financial Servics	2015/09/30	25,596	-	25,596	-	9,949	15,647
CCTV CAMERA'S	9.00%		Thusong Centre	2014/07/30	32,271	-	32,271	-	29,648	2,623
CZ 2078 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Street works & Storm Water	2016/09/30	-	-	-	142,763	32,365	110,398
CZ 2477 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Murraysburg Refuse Removal	2016/09/30	-	-	-	142,763	32,365	110,398
CZ 4155 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Murraysburg Water Reticulation	2016/09/30	-	-	-	153,186	34,728	118,458
CZ 8684 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Street works & Storm Water	2016/09/30	-	-	-	153,186	34,728	118,458
CZ 8685 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/09/30	-	-	-	153,186	34,728	118,458
CZ 8686 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Street works & Storm Water	2016/09/30	-	-	-	153,186	34,728	118,458
CZ 8687 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Recreation Sites	2016/09/30	-	-	-	153,186	34,728	118,458
CZ 5753 SEDAN TOYOTA ETIO'S	8.50%		Dir: Traffic Services	2016/09/30	-	-	-	113,727	25,783	87,944
CZ 5136 SEDAN TOYOTA ETIO'S	8.50%		Dir: Traffic Services	2016/09/30	-	-	-	113,727	25,783	87,944
CZ 6192 SEDAN TOYOTA ETIO'S	8.50%		Dir: Traffic Services	2016/09/30	-	-	-	113,727	25,783	87,944
CZ 8563 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Purification	2016/06/30	-	-	-	125,276	34,961	90,315
CZ 1096 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%		Water Reticulation	2016/11/30	-	-	-	156,712	27,436	129,276
CZ 5366 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%		Street works & Storm Water	2016/10/30	-	-	-	153,185	30,759	122,426
CZ 4898 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%		Municipal Buildings	2016/10/30	-	-	-	144,215	28,958	115,256
CZ 4296 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%		Water Purification	2016/10/30	-	-	-	130,525	26,209	104,316
CZ 2295 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%		Fire Brigade	2016/10/30	-	-	-	138,335	27,777	110,557
CZ 1461 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%		Refuse Removal	2016/10/30	-	-	-	156,712	31,468	125,244
CZ 8728 SEDAN TOYOTA ETIO'S	8.50%		Housing Office	2016/10/30	-	-	-	101,628	20,407	81,221
CZ 6743 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%		Water Purification	2016/11/30	-	-	-	164,548	28,808	135,740
CZ 3697 TRUCK NISSAN UD 90B F/C C/C	8.50%		Refuse Removal	2017/01/30	-	-	-	1,020,105	126,664	893,441
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%		Dir: Financial Servics	2017/03/30	-	-	-	18,200	1,346	16,853

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at 30 June 2013	Correction of Error	Balance at 30 June 2013 Restated	Received during the period	Redeemed written off during the period	Balance at 30 June 2014
					R	R	R	R	R	R
MACHINE PHOTOCOPY RICOH MP2501spf	8,50%		Dir: Financial Servics	2017/03/30	-	-	-	18,200	1,346	16,853
MACHINE PHOTOCOPY RICOH MP2501spf	8,50%		Kwa Mandlenkosi Office	2017/03/30	-	-	-	18,200	1,346	16,853
MACHINE PHOTOCOPY RICOH MP2501spf	8,50%		Dir: Financial Servics	2017/03/30	-	-	-	18,200	1,346	16,853
MACHINE PHOTOCOPY RICOH MP2501spf	8,50%		Dir: Traffic Services	2017/03/30	-	-	-	18,200	1,346	16,853
MACHINE PHOTOCOPY RICOH MP2501spf	8,50%		Dir: Traffic Services	2017/03/30	-	-	-	18,200	1,346	16,853
MACHINE PHOTOCOPY RICOH MP2501spf	8,50%		Traffic Court	2017/03/30	-	-	-	18,200	1,346	16,853
MACHINE PHOTOCOPY RICOH MP2501spf	8,50%		Housing Office	2017/03/30	-	-	-	18,200	1,346	16,853
MACHINE PHOTOCOPY RICOH MP2501spf	8,50%		Fire Brigade	2017/03/30	-	-	-	18,200	1,346	16,853
MACHINE PHOTOCOPY KONICA MINOLTA	8,50%		General Expenses	2017/03/30	-	-	-	7,145	529	6,616
MACHINE PHOTOCOPY KONICA MINOLTA	8,50%		Dir; Community Services	2017/03/30	-	-	-	49,963	3,696	46,267
MACHINE PHOTOCOPY KONICA MINOLTA	8,50%		Admin: Electrical	2017/03/30	-	-	-	26,829	1,985	24,844
CZ 9005 ISUZU KB250D LEED FLEETSIDE P/U S	9,00%		Dir; Community Services	2017/05/30	-	-	-	160,863	3,909	156,954
Total Lease Liabilities					2,094,697	-	2,094,697	4,092,471	1,652,749	4,534,416
TOTAL EXTERNAL LOANS					17,512,075	-	17,512,075	4,092,471	3,525,696	18,078,846

APPENDIX B - **Unaudited**

BEAUFORT WEST LOCAL MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

MUNICIPAL VOTES CLASSIFICATION

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
483,132	(2,288,037)	(1,804,905)	Admin: Commun Serv	496,485	(2,928,561)	(2,432,076)
15,771	(6,875,189)	(6,859,418)	Admin: Corp Serv	-	(7,285,211)	(7,285,211)
9,612,871	(17,408,169)	(7,795,298)	Admin: Electrical	3,387,243	(8,955,549)	(5,568,306)
232,044	(3,376,064)	(3,144,020)	Admin: Engineering Serv	230,514	(3,452,783)	(3,222,269)
4,230,987	(11,077,257)	(6,846,270)	Admin: Fin Serv	6,133,111	(9,708,209)	(3,575,098)
1,111	(252,670)	(251,559)	Admin: Nelspoort	1,123	(578,015)	(576,892)
12,646,085	(11,214,782)	1,431,303	Admin: Traffic	35,814,854	(35,460,677)	354,177
214,529	(6,017,663)	(5,803,134)	Admin: Water	111,013	(3,794,604)	(3,683,591)
65,059	(639,001)	(573,942)	Building Control	95,227	(784,219)	(688,992)
168,348	(431,487)	(263,139)	Cemetries	168,948	(710,748)	(541,800)
-	(1,429,652)	(1,429,652)	Fire Brigade	-	(1,649,860)	(1,649,860)
39,039,203	(10,971,855)	28,067,348	General Expenses	24,080,853	(13,354,958)	10,725,895
15,254,782	(15,983,182)	(728,400)	Housing Office	28,595,346	(29,476,892)	(881,546)
-	(315,162)	(315,162)	IDP: Co-Ordinator	60,000	(145,452)	(85,452)
5,500	(1,222,868)	(1,217,368)	Information Technology	-	(1,318,194)	(1,318,194)
8,194	(63,461)	(55,267)	Irrigation Water	7,953	(56,967)	(49,014)
10,588	(113,336)	(102,748)	Kwa-Mandi Comm Hall	4,370	(115,380)	(111,010)
-	(666,141)	(666,141)	Kwa-Mandi Office	-	(622,110)	(622,110)
1,392,275	(1,382,145)	10,130	Library Church Street	1,276,937	(1,289,372)	(12,435)
1,001,498	(1,030,523)	(29,025)	Library Mimosa	1,290,902	(1,079,797)	211,105
154,410	(97,945)	56,465	Library Nelspoort	119,393	(122,321)	(2,928)
51,621	(83,090)	(31,469)	Main Road	23,377	(33,313)	(9,936)
1,447	(1,556,227)	(1,554,780)	Mechanical Workshop	1,316	(1,644,254)	(1,642,938)
455,543	(3,612,399)	(3,156,856)	Municipal Buildings	296,273	(4,524,582)	(4,228,309)
345,322	(2,111,354)	(1,766,032)	Municipal Manager	164,290	(1,892,231)	(1,727,941)
19,795,572	-	19,795,572	Municipal Rates	21,272,839	-	21,272,839
2,683	(18,848)	(18,165)	Pound	2,198	(23,327)	(21,129)
420	-	420	Private Work	420	-	420
366,834	(6,583,345)	(6,216,511)	Recreation Sites	978,450	(6,855,300)	(5,876,850)
5,701,463	(5,431,905)	269,558	Refuse Removal	5,995,952	(7,221,348)	(1,225,396)
11,883,012	(2,587,053)	9,295,959	Reticulation: H Volt	3,426,772	(3,574,215)	(147,443)
49,108,731	(40,273,768)	8,834,963	Reticulation: L Volt	59,694,224	(48,409,690)	13,284,534
15,228	(111,458)	(96,230)	Rustdene Comm Hall	12,253	(138,080)	(125,827)
-	(334,480)	(334,480)	Rustdene Office	-	(412,261)	(412,261)
(10,179)	-	(10,179)	S/E 1 Rustdene	112	-	112
4,469	(4,474)	(5)	S/E 4 Rustdene	219,217	(219,218)	(1)
30,892	(30,691)	1	S/E 8 Rustdene	30,594	(30,594)	-
14,312	(14,312)	-	S/E 9 Rustdene	14,193	(14,193)	-
208,501	(451,616)	(243,115)	Service Connections	126,452	(554,382)	(427,930)
-	(3,233,669)	(3,233,669)	Sewerage Farm	459,938	(3,870,402)	(3,410,464)
17,068,263	(1,506,241)	15,562,022	Sewerage System	16,632,114	(1,893,074)	14,739,040
-	(1,881,351)	(1,881,351)	Stores	-	(2,073,762)	(2,073,762)
-	(1,175,188)	(1,175,188)	Street Cleansing	-	(1,286,896)	(1,286,896)
832,027	(4,122,504)	(3,290,477)	Street Lightening	3,472,277	(4,451,263)	(978,986)
27,899,500	(12,523,608)	15,175,892	Street works & Storm Water	7,328,893	(12,866,926)	(5,538,033)
77,115	(289,615)	(212,500)	Swimming Pool Birds	45,147	(350,027)	(304,880)
66,768	(265,898)	(199,130)	Swimming Pool Nieuveld	37,543	(323,004)	(285,461)
-	(230,759)	(230,759)	Tourism	-	(300,163)	(300,163)
20,295	(59,302)	(39,007)	Town Commonage	14,464	(11,301)	3,163
-	(728,168)	(728,168)	Traffic Court	-	(800,692)	(800,692)
-	(40,867)	(40,867)	Traffic Lights	-	(70,556)	(70,556)
75,318	(153,620)	(78,302)	Vacuum Services	63,995	(168,571)	(104,576)
507,507	(348,254)	159,253	Vehicle Registration	575,394	(360,551)	214,843
174,065	(355,644)	(181,579)	Vehicle Testing Station	168,706	(457,849)	(289,143)
1,162,745	(9,121,512)	(7,958,767)	Water Purification	26,581	(9,801,985)	(9,775,404)
14,117,735	(5,591,044)	8,526,691	Water Reticulation	19,655,374	(5,923,511)	13,731,863
-	(383,441)	(383,441)	Internal Audit	211,789	(583,707)	(371,918)
171,504	(468,122)	(296,618)	Labour Relations	54,758	(646,553)	(591,795)
120,297	(1,355,857)	(1,235,560)	Murraysburg Administration	2,390,875	(1,077,722)	1,313,153
3,067,757	(3,519,602)	(451,845)	Murraysburg Electricity	3,220,189	(4,201,850)	(981,661)
372,332	(373,094)	(762)	Murraysburg Library	494,955	(480,424)	14,531
1,849,955	-	1,849,955	Murraysburg Municipal Rates	1,519,391	-	1,519,391
-	(26,854)	(26,854)	Murraysburg Recreation Site	195,843	(273,001)	(77,158)
-	-	-	Murraysburg Sewerage	-	-	-
1,241,976	(1,393,352)	(151,376)	Murraysburg Refuse Removal	1,373,674	(1,904,797)	(531,123)
-	(618,863)	(618,863)	Murraysburg Street Works & Storm Water	219,901	(976,491)	(756,590)
3,388	(42,525)	(39,137)	Murraysburg Swimming Pool	5,365	(77,761)	(72,396)
220,466	(1,081,883)	(861,417)	Murraysburg Water Works	1,469,838	(1,234,443)	235,395
225,163	(555,962)	(330,799)	Thusong Centre	224,704	(419,473)	(194,769)
9,789	(61,817)	(52,028)	Wheely Wagon Kwa Mandlenkosi	24,022	(131,695)	(107,673)
218,000	(220,900)	(2,900)	Murraysburg - Thusong Centre	45,409	(286,826)	(241,417)
241,814,023	(207,593,325)	34,220,698	Sub Total	254,068,143	(253,542,143)	526,000
-	9,790,378	9,790,378	Less Inter-Departmental Charges	-	9,358,426	9,358,426
241,814,023	(197,802,947)	44,011,076	Total	254,068,143	(244,183,717)	9,884,426

APPENDIX C - Unaudited

BEAUFORT WEST LOCAL MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

GENERAL FINANCE STATISTIC CLASSIFICATIONS

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
39,556,029	(14,165,531)	25,390,498	Executive & Council	24,511,690	(16,777,612)	7,734,078
25,997,922	(15,367,756)	10,630,166	Budget & Treasury	31,317,339	(14,472,079)	16,845,260
497,109	(11,769,758)	(11,272,649)	Corporate Services	310,737	(13,139,288)	(12,828,551)
297,103	(4,330,227)	(4,033,124)	Planning & Development	385,741	(4,382,454)	(3,996,713)
4,053,446	(6,685,552)	(2,632,106)	Community & Social Services	4,160,576	(7,726,004)	(3,565,428)
15,294,076	(16,032,659)	(738,583)	Housing	28,859,462	(29,740,897)	(881,435)
12,646,085	(13,372,602)	(726,517)	Public Safety	35,814,854	(37,911,229)	(2,096,375)
514,105	(7,210,237)	(6,696,132)	Sport & Recreation	1,266,148	(7,679,093)	(6,412,945)
6,943,439	(8,000,445)	(1,057,006)	Waste Management	7,369,626	(10,413,041)	(3,043,415)
17,143,581	(4,893,530)	12,250,051	Waste Water Management	17,156,047	(5,932,047)	11,224,000
28,434,140	(15,485,886)	12,948,254	Road Transport	8,317,587	(16,339,384)	(8,021,797)
15,723,669	(21,875,563)	(6,151,894)	Water	21,270,759	(20,811,510)	459,249
74,713,319	(68,403,579)	6,309,740	Electricity	73,327,577	(68,217,505)	5,110,072
						-
241,814,023	(207,593,325)	34,220,698	Sub Total	254,068,143	(253,542,143)	526,000
-	9,790,378	9,790,378	Less Inter-Departmental Charges	-	9,358,426	9,358,426
241,814,023	(197,802,947)	44,011,076	Total	254,068,143	(244,183,717)	9,884,426

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2013	Transfer in	Contributions during the year	Interest on investments (Only if a condition)	Interest Transferred to Revenue	VAT Transferred to Revenue	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Refund to Donor	Transfer out	Balance 30 June 2014
UNSPENT/UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	R	R	R	R	R	R	R	R		R	R
NATIONAL											
Finance Management Restruc.	(95,075)	-	1,450,000	-	-	72,634	1,549,058	-	-	-	(266,767)
132/22KV Substation & 20 MVA Transformer	-	1,080,638	8,000,000	-	-	479,748	-	3,426,772	-	553,013	4,621,105
Electrification of Central Karoo	(786,457)	553,013	4,000,000	-	-	326,675	2,359,243	-	-	1,080,638	-
MSIG 2011/2012	-	-	890,000	-	-	32,929	857,071	-	-	-	-
Expanded Public Works Programme	(14,377)	-	1,000,000	11,613	-	-	1,093,378	-	-	-	(95,942)
Exploration Aquifers	209,268	-	-	10,738	10,738	3,721	-	26,581	-	-	178,965
Energy efficiency demand (EEDMS)	-	-	3,000,000	-	150,000	348,729	2,501,271	-	-	-	-
Opening launch 132 Kv Substation	-	-	450,000	-	-	-	450,000	-	-	-	-
PROVINCIAL											
Community Development Workers (CDW's)	8,820	-	207,800	998	-	-	301,652	-	-	-	(84,034)
Consumer Housing Education Program	110,629	-	-	4,255	-	-	14,304	-	-	-	100,580
Project Provincial Funds	29,719	-	-	1,176	-	-	-	-	-	-	30,895
Project Preparation Grant Planning	147,832	-	-	9,747	-	-	-	-	-	-	157,579
Public Transport Infrastructure	115,626	-	-	2,467	-	1,889	-	13,482	-	-	102,724
Refuse Recycling Project	(60,162)	-	210,351	213	-	-	137,490	-	-	-	12,911
Rezoning Scheme Regulations	13,095	-	-	518	-	-	-	-	-	-	13,613
Sanitation Master Plan	9,902	-	-	392	-	-	-	-	-	-	10,294
Tourisme Potential Nelspoort	130,662	-	-	5,169	-	8,400	60,000	-	-	-	67,431
Tourisme Tokens	7,246	-	-	287	-	-	-	-	-	-	7,533
Upgrading electricity network Nelspoort	134,709	-	-	4,874	-	-	-	-	-	-	139,583
Public Library Services	116,425	-	3,393,000	46,896	-	-	3,034,583	149,105	-	-	372,633
Water Masterplan	12,427	-	-	493	-	-	-	-	-	-	12,920
Soup Kitchens	6,648	-	-	734	-	-	-	-	-	-	7,382
Management Support Grant	483,908	-	800,000	27,574	-	49,631	312,661	-	-	-	949,191
Provision Of Services Nelspoort (23)	817,919	-	-	41,921	6,646	11,871	358,395	-	482,929	-	-
240 Irdp Dwellings Asla	4,923,009	-	2,712,243	62,742	-	31,500	7,662,080	-	-	-	4,415
Upgrading sport facilities Murraysburg	200,000	-	-	-	-	-	199,643	-	-	-	357
S3 & S4 Services	12,437	-	-	573	-	-	-	-	-	-	13,010
55 Consolidation Scheme Kwa Mandlenkosi	11,409	-	561,889	6,252	-	-	518,920	-	-	-	60,630
Xhoxha dwellings	2,525	-	1,196,239	6,656	-	-	1,098,255	-	-	-	107,165
274 IRDP Dwellings	-	-	19,136,480	-	-	-	19,136,480	-	-	-	-
Mandela Memorial Service	-	-	100,000	-	-	-	100,000	-	-	-	-
Compliance module	-	-	57,100	-	-	-	57,100	-	-	-	-

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2013	Transfer in	Contributions during the year	Interest on Investments (Only if a condition)	Interest Transferred to Revenue	VAT Transferred to Revenue	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Refund to Donor	Transfer out	Balance 30 June 2014
MIG											
PMU - Project Management Unit	-	-	314,781	-	-	-	230,514	-	-	84,267	-
Improve surface of gravel roads	-	155,021	3,147,992	-	-	325,773	-	2,326,947	-	650,293	-
Retension Dams	-	-	451,850	-	-	1,264	-	9,031	-	441,555	-
Rustdene Sport Stadium	-	100,000	718,173	-	-	88,605	-	644,569	-	84,999	-
New Refuse Transfer Station	-	-	65,452	-	-	5,792	-	41,370	-	18,290	-
Rehabilitation Roads: Murraysburg	-	-	250,687	-	-	30,786	-	219,901	-	-	-
Upgrading Water Supply : Murraysburg	-	326,980	854,488	-	-	106,406	-	723,233	-	351,830	-
Upgrade/extention Of Water Sup : Murrausburg	-	196,809	709,708	-	-	67,748	-	520,728	-	318,041	-
Ressure Reduction Water (prv)	-	100,000	256,440	-	-	42,258	-	301,844	-	12,337	-
High mast lights Greater Beaufort West	-	2,190,768	700,000	-	-	337,874	-	2,413,383	-	202,336	(82,825)
Main water pipeline Rustdene	-	-	110,803	-	-	-	-	-	-	110,803	-
Nelspoort Bulk water	-	612,423	653,811	-	-	168,121	-	1,200,864	-	-	(102,751)
External sewerage line Buitekant street	-	-	5,555,533	-	-	527,811	-	3,770,182	-	1,257,540	-
External stormwater next to Buitekant street	-	222,594	4,999,282	-	-	570,670	-	4,076,206	-	575,000	-
Rehab. Oxidation Ponds: Murraysburg	-	-	114,000	-	-	14,000	-	100,000	-	-	-
Rehab. Oxidation Ponds: Nelspoort	-	-	450,270	-	-	50,391	-	359,938	-	39,940	-
Flood Lighting B/West Rugby field	-	100,269	500,000	-	-	69,695	-	497,831	-	32,743	-
Flood Lighting Nelspoort Sport field	-	134,810	500,000	-	-	73,683	-	526,316	-	34,811	-
LOCAL ECONOMIC DEVELOPMENT											
Arts & Crafts	31,341	-	-	1,603	-	-	-	-	-	-	32,944
CKDM											
Website	8,047	-	-	318	-	-	-	-	-	-	8,365
Shared Services	54,758	-	-	-	-	-	54,758	-	-	-	-
Expanded Public Works Programme	39,531	-	318,800	-	-	-	399,892	-	-	18,498	(58,059)
Expanded Public Works Programme	(16,498)	16,498	-	-	-	-	-	-	-	-	-
Multi Purpose Centre - Murraysburg	136,249	-	-	-	-	-	-	-	-	-	136,249
Total	6,801,574	5,789,824	67,837,172	248,408	167,384	3,848,604	42,486,748	21,348,285	482,929	5,864,934	6,478,096
UNSPENT/UNPAID CONDITIONAL PUBLIC CONTRIBUTION											
PRIVAAT											
Existing Houses Nelspoort	-	-	2,502	-	-	-	2,502	-	-	-	-
Merweville Library Alteration	-	-	134,634	4,418	-	-	-	-	-	-	139,052
Total	-	-	137,136	4,418	-	-	2,502	-	-	-	139,052
Total Receipts	6,801,574	5,789,824	67,974,308	252,826	167,384	3,848,604	42,489,250	21,348,285	482,929	5,864,934	6,617,148